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NOTICE TO READERS: Beginning 4 October 1990, the GERMAN DEMOCRATIC REPUBLIC section of both the East Europe DAILY REPORT and the East Europe JPRS REPORT will cease publication. Also on that date, the FEDERAL REPUBLIC OF GERMANY section of the West Europe DAILY REPORT will be renamed GERMANY. The GERMANY section of the West Europe DAILY REPORT will include material previously published under the FRG, GDR, and German Unification rubrics, as well as material previously found in the GERMAN DEMOCRATIC REPUBLIC section of the East Europe JPRS REPORT.

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Bos Barrage: Slovak Premier Threatens To Take Unilateral Action

25000786A Budapest MAGYAR HIRLAP in Hungarian
22 Aug 90 pp 1, 3

[Article by F.E. and L.F.: "The Bos Banana Peal: Head of Government Meciar on the Barrage"]

[Text] The Slovak government continues to support the idea of constructing the power plant at Bos. According to prime minister Meciar, the scheduled visit of foreign minister Dienstbier this month to Budapest provides an opportunity to clarify a number of issues. Hungarian expert opinion agrees that only a negotiated settlement is conceivable, because any unilateral Slovak move may be regarded as a breach of contract.

MAGYAR HIRLAP Report

Bos is the banana peal of our energetics, said the Slovak prime minister shortly after a brief inspection of the barrage construction late Monday afternoon. Vladimir Meciar said that an incorrect decision was made at the time, but at this point the only solution that exists is to complete work and to place the barrage in operation. RUDE PRAVO and PRACE underscored that part of the Slovak prime minister's statements in which he said that the energy situation is extremely bad, therefore they are unable to give up with the idea of the hydroelectric plant. Two new blocks would have to be added to Slovak nuclear power plants if they did, or they would have to construct a new nuclear power plant. It was apparent that his reasoning was supported by the need to convince the still unstable federal government of the necessity to complete the barrage. To reassure the public he added that environmental viewpoints must be considered to a far-reaching extent.

Meciar made a substantially tougher statement on television. He said that the Hungarians are only playing for time and that at this point specific negotiations should be taking place. He indicated that if the Hungarian position remains unchanged, they will find a solution in their own territory to build and operate the hydroelectric power plant.

Residents in the vicinity of Bos are unchanged in their belief that the construction should be halted. The Committee Against the Dam informed the MAGYAR HIRLAP reporter that on Saturday, the 25th, they will take another protest action and that the human chain will continue. They are also organizing a great concert, the proceeds of which will form the basis of an environmental and nature protection fund. They intend to support the development of a nature protection park along the Danube.

MAGYAR HIRLAP Information

As may be recalled, the Czechoslovak party brought up an idea even before the change of government, according to which they would complete and operate a power plant and the bypass canal which routes the Danube to the Slovak side despite Hungary's wishes; even if the Nagymaros power plant is not built. This is made possible by the "Pozsony [Bratislava] bridgehead", i.e., the fact that on this stretch of the river both shores constitute Czechoslovak territory. This is the idea the Slovak prime minister revived at this time.

Is this technically possible, we asked construction engineer Agoston Peterffy, secretary of the Duna Foundation, an organization funded by the "Alternative Nobel Prize" of antibarrage movements. Peterffy said that this has been debated also by professionals, but in his view the plan could be realized. From an engineering standpoint, however, the proper solution—moving the Dunakiliti Dam essentially toward Pozsony—would take at least three to four years. A more primitive solution is conceivable. In this, the river would be routed toward the bypass canal by a simple dam. The dimensions of the dam would be such that in case of high water the excess water which cannot be accommodated by the bypass canal would flow over the dam. This solution, however, would be accompanied by many operational problems and risks (e.g., breaking up ice).

According to legal experts, a Slovak action of this kind would represent a blatant disregard of the law of good neighbors as known in the field of international law. This is based on common law. This field of law is particularly developed in neighboring countries and in the field of water rights. In this case the main rule is that neighboring countries have an equal right to use a river along the border.

According to some legal opinions, however, the dispute may be settled only on a negotiated basis. Although even the International Court of Justice of The Hague could come into play, this would become possible only if both parties separately state that they accept this forum as a court of arbitration. A preliminary clause providing for this matter does not exist. Other agreements—such as for instance the Hungarian-Czechoslovak bilateral waterways agreement—are hardly suitable for the settlement of issues of such weight.

Ever since the early 1980's many believed that construction of the barrage according to the original plans would violate the Trianon and Paris Peace Treaties, because the Danube would be routed to Slovak territory. Namely, when that happens—so the argument goes—the border also changes, and this is prohibited. But even if the argument that the two countries jointly agree to reroute the Danube is acceptable, in which case the two treaties would not be violated, one may state with certainty that a unilateral Slovak move would violate the peace treaties, according to international jurists.

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Slovak Premier Rejects Minority Rights Initiative
25000786B Budapest NEPSZABADSAG in Hungarian
21 Aug 90 p 3

[Article by NEPSZABADSAG Prague reporter K.T.: "Pozsony: Rigid Rejection"]

[Text] The Slovak government rejected a Hungarian proposal to negotiate a bilateral agreement governing the collective rights of national minorities.

Slovakian premier Vladimir Meciar's Sunday press briefing in Pozsony [Bratislava] did not fall short of some stunning and depressing statements. He voiced the opinion that the federal Human Rights Charter now being prepared "establishes fully and clearly [all] civil and national minority rights." At the same time, however, he also declared that interpretation of the meaning of the term 'collective rights of national minorities' is subject to debate in Europe and in Slovakia. The principle of collective rights has not been included in international legal documents; obligations and a framework in which to govern collective rights do not exist." In announcing the full and unequivocal rejection of the Hungarian initiative to establish collective national minority rights, Meciar took the position that the problem at issue may be settled only on a multilateral international basis.

"Our relations with members of the Hungarian minority represent our relationship with our citizens," and these relations will be regulated in the future at the federal level; "defining the relationship with one minority would establish a precedent for the definition of a relationship with another minority," Meciar said

Asked why Slovakia does not enforce the law prohibiting propagation of Fascism relative to certain statements made by the Slovak National Party and by part of the Slovak press, Meciar declared that the question makes reference to a threat which "manifests itself in Mr. Duray's views, but also in the views expressed by certain members of the Slovak National Party." This statement certainly represented the intellectual and political low point of the entire press conference. Duray is an outstanding Hungarian residing in Slovakia. He was imprisoned for his human rights activities. Having managed to identify the ideology of the anti-Hungarian Slovak nationalist party with Duray's convictions, Meciar tried to prove that "the wave of nationalism which carried the Slovak National Party to an election victory was nationalism provoked by the Hungarians, not by the Czechs." Meciar then further refined his views by adding: "In saying this I do not have in mind our fellow citizens of Hungarian nationality residing in Southern Slovakia, but the mass propaganda which interfered with our election campaign and which enabled the Slovak National Party to obtain votes in places where there are no Hungarians."

Meciar also announced that he will transfer troops from the Czech regions to the territory of Slovakia, because in his view a certain vacuum has evolved.

Biased Romanian Reporting on New Tirgu Mures Atrocity Proven False

90CH0410A Bucharest ROMANIAI MAGYAR SZO in Hungarian 25 Aug 90 pp 1, 4

[Article by Attila Bogozi: "The Case of the Limping Dog at Marosvasarhely"]

[Text] "On the eve of Saturday, 18 August 1990 another grave incident occurred in Marosvasarhely [Tirgu Mures] in front of the Eminescu monument located at University Park. The incident was perpetrated by a gang of Hungarian murderers. They literally trampled on, and wildly beat with a chain university lecturer, Professor Dr. Gheorghe Vasilescu, head of the Endocrinology Clinic, and Petre Fontu, a local radio reporter. The reasons for these beatings were identical to those for the incident in which these wild animals, sworn to kill our people, lynched Mihal Cofariu and caused bodily harm to several dozen Romanians. These poor people are Romanians, they converse in Romanian at home. Mr. Petre Fontu is in a coma at present, physicians are making desperate efforts to save his life. Somosteto, in the same municipal district, was the scene of similar events. Hordes of Hungarians caused trained dogs to attack Romanian passersby. Ileana Sandu (wife of Marosvasarhely Prosecutor Marin Sandu) is one of the victims of this aggression. She was beaten up on the street because she wrote a serialized article in the local newspaper CUVINTUL LIBER. Police initiated an investigation to identify the criminals. What is your view of these murderous acts, Messrs. Radu Enache, Dan Petrescu, Radu Popa, Andrei Cornea, Nicolae Manolescu, Stelian Tanase and all the rest of the traitors who minimize the Hungarian threat and constantly declare us, Romanians, to be the criminals?"

(From: ROMANIA MARE, 24 August 1990)

It's always easy to catch a liar. This is the news report we quoted from ROMANIA MARE, but we could have done the same by quoting an article from the Romanian daily CUVINTUL LIBER published in Marosvasarhely. It does not fall behind the example provided by its big brother in terms of either content, or tone of voice. But let us take a closer look at the facts before we qualify the reports presented by the above newspapers.

A journalist was beaten up in Marosvasarhely. Petre Fontu is a Romanian language reporter of the radio in the area. He heads the radio's cultural division. Lecturer Professor Dr. Gheorghe Vasilescu, head of the Endocrinology Institute accompanied Fontu. The beastly attack took place near the Youth Building, next to the Eminescu monument on the eve of 18 August. The fact alone that two persons can be beaten up just like that on the street, even if this takes place in the evening, tells a lot about present conditions of public safety. But from here

on, all the way up to interethnic disturbances and to the intentionally staged lies, the crime is as grave as the brutal action itself. One wonders, whose interest is served by using every opportunity to defame Hungarians, to incite anti-Hungarian sentiments. And this is accomplished with impunity, before the greater public.

Luca Teodor, an official at the criminal division of the county police had this to say:

"Interethnic conflict is not involved at all. The intentional, hysterical incitement of sentiments is regrettable in regard to the incident. It should be condemned by all means, and details will be cleared up by the police."

The area radio broadcast a report which included the following statement: "A voice was silenced, an outstanding voice from the Romanian language broadcast of the Marosvasarhely radio. Petre Fontu is the experienced, mild-mannered editor-columnist of the cultural division. His writings were always guided by the service of justice and dignity. On Saturday evening, 18 August 1990 a radio journalist colleague was bestially attacked; ceaseless, self-sacrificing efforts are being made at the Marosvasarhely county clinic to preserve his life. The victim's condition is extremely grave. We, the editors and the workers at the Marosvasarhely radio were deeply outraged by the aggression. No appropriate terms exist to describe this kind of action. On behalf of the editors and the workers of the radio, we protest this inhuman manifestation whose target was our colleague, in the firmest terms. He spoke up for the establishment of a democratic atmosphere serving the public and society. There can be no justification for inflicting physical harm and for brutality. We request police organs to use all means to find the culprits, and the administration of justice to apply the laws in an exemplary manner."

The county and the local Marosvasarhely executive committees of the Democratic Association of Hungarians in Romania [RMDSZ] also announced their position: "We were shocked to learn about the 18 August bestial attack on Petre Fontu, editor of the Romanian language program of the Marosvasarhely area radio, and on Dr. Gheorghe Vasilescu, head of the Endocrinology Clinic. The RMDSZ condemns in the strongest possible terms all violent, aggressive, huligan action, irrespective of who perpetrates such action, and against whom such action is perpetrated. We feel that here and elsewhere democracy must not be based on the power of the fist, but on legality and on respect for the rights of citizens. The RMDSZ requests the police and organizations involved in the persecution of crime to arrest the criminals as soon as possible, and that the most stringent sentence be pronounced based on the country's laws, irrespective of who the culprits are."

In this instance the police acted with expedience. I now quote from the announcement: "It was established that the attackers were Petru Dragos [Romanian name] and Jozsef Tamas Pall [Hungarian name]. Both are 21 years

old and unemployed. The police continues the investigation to clarify the circumstances of the aggression. The attackers are held pending the outcome of an investigation. Petre Fontu remains in an unchanged, very grave condition."

And from the most recent report: "Insofar as the circumstances of the criminal act are concerned, based on available evidence the Maros [Mures] County Police and the County Prosecutor's Office determined that Petre Dragos was the only person to beat the victims. Jozsef Tamas Pall was released. The investigation continues."

So then, if the press would only provide objective, proper information, then this would not be a major problem. We owe this not only to our readers, but also to ourselves, but unfortunately, these rules do not apply to the editors of the above named two newspapers. Some filth is spilled all over in the trace of their criminal pen. Accordingly, some barriers should be established to prevent their uninhibited lies and incitement. Because events started to unfold in March based on such lies—let us only recall pharmacy No. 15!....

Postscript: Just before press time we learned that Petre Fontu, our colleague from Marosvasarhely died as a result of the wounds he suffered. In its own way, the workers' community of ROMANIAI MAGYAR SZO condemns this brutal crime, and joins those who express their condolences to the family and orphaned children of the deceased.

Romanian Nationalities Policies Compared to Other Countries

90CH0425A Bucharest ROMANIAI MAGYAR SZO in Hungarian 4 Sep 90 pp 1, 4

[Article by Lajos Asztalos: "There Is No Country in Which..."]

[Text] The failed tyranny succeeded in isolating the country in many respects, primarily from Europe. This was closely tied to the stupidifying process the system promoted. The consequences of this—such as the daily experience of the state of being uninformed—weigh upon us as a heavy legacy.

Some abuse this situation. Moreover, they do so consciously. In the course of the vendetta against Hungarians in Romania—a matter they regard as a "natural" manifestation of "democracy," they continuously search for, and believe to find new arguments, charges and straps to hang on to, if none other, some straps made of air. They think that the uninformed people will believe such non contradicitable announcements based on fabricated arguments anyway. At the same time all this amounts to an outstanding fixture of the ostrich policy of self-deception.

Pronouncements which begin with "There is no country in which..." were most favored in recent times. For

POLITICAL

example countries, in which, according to some, a university teaching in nationalities' languages would operate. Unfortunately, and naturally from their point of view, facts contradict such pronouncements, however firmly such pronouncements may be voiced.

Because after the fascist tyranny expired in Spain, in a manner befitting an authentic democracy the Catalans, Galegos and the Basques were permitted to establish universities and academies teaching in their own languages in addition to Spanish. Particularly the three million Galegos and the about three-quarters of a million Basques deserve attention from this point of view, because this was the first time in the history of these people that an opportunity like this presented itself. There are about six million Catalans.

—From among the two universities in the Catalanian capital of Barcelona, in the larger one (Universidad de Barcelona) subjects are taught in the Catalan and in the Spanish languages (in this sequence!) within 22 departments and five sections by 1,850 teachers to 70,300 students;

—in Palma de Mallorca, the capital of the Bolear Islands, the Spanish and Catalan language Universidad de las Islas Belears was established. It has three departments, four sections, 269 teachers and 6,835 students;

—the university in Bilbao (Bilbo, in the Basque language), the area where the Basques live, the university (Euskal Herrico Unibertsitatea in Bilbao) instructs in the Spanish and the Basque languages in 10 departments and 8 sections. It has 2,150 teachers and 41,299 students;

—in Galicia, the Universidad de Santiago de Compostela teaches in the Spanish and the Galego languages (12 departments, 12 sections, 1,570 teachers, 40,879 students).

All of these are state educational institutions. But there also exist private universities and academies which teach in the minority languages of Spain:

—the Estudios Universitarios Y Tecnicos de Guipuzcoa in San Sebastian has three departments, 103 teachers and 2,276 students. The languages of instruction are Spanish and Basque;

—the languages of instruction at the Instituto Quivico de Sarria of Barcelona are Spanish and Catalan. It has four departments, 40 teachers and 560 students.

The 300,000 Swedes residing in Finland constitute about seven percent of the total population:

—in Turku, (Abo, in Swedish) the Swedish language university (Abo Akademi) has six departments, 368 teachers and 4,264 students;

—the Swedish language commercial academy in Helsinki (Svenska Handelshogskolan) has eight departments, 77 teachers and 1,774 students.

In addition, at the Helsinki, Jyvaskylä and Vaasa universities they teach in the Swedish language in addition to Finnish, and the situation is the same at the technical university and the veterinary, music and performing arts academies of Helsinki.

The above data is based on the International Handbook of Universities (De Gruyer, Berlin, New York, 11th Edition, 1989).

It is noteworthy that the social balance of either Spain or Finland has not been upset by this practice, moreover, God forgive, not even the territorial integrity of these countries is threatened by the numerous schools universities and academies teaching in nationalities languages. Such effects are claimed in our neck of the woods by some crazy members of a "cultural" association or party despite all the facts. And for this reason, in Spain and in Finland there do not exist hysterical, extremist organizations which proclaim antiminority campaigns either. To the contrary: the minority language educational network boosts the international prestige of both countries, not to mention their internal balance, the peace that prevails among the people who live there.

Just how far has today's Spain gotten from Franco's Fascist Spain of 15 or 20 years ago? The rug was pulled out from under Basque and Catalan extremists, separatists and nationalists primarily by a broadly based democracy, and by native language education and autonomy. Both of these are closely related to democracy. These features also strengthened Spanish unity. (But in Romania many go insane objecting to the same matter opposed so strongly by Franco's fascists.)

According to another pronouncement, "There is no country in which minorities establish political parties or organizations based on nationality." Moreover, the other day some representatives introduced a proposal in the National Assembly on the basis of which the constitution to be developed would prohibit from the outset political organizing efforts based on nationality, so they say. In introducing this proposal they aped their former boss. In every one of his "speeches" Ceausescu reinforced the people's feeling that like the ostrich, the conductor saw or heard nothing, that he never considered anyone's opinion, and that he continued to recite his own story like a madman.

It becomes more clear than the light of day that this proposal questions, or directly challenges the existential right of the Democratic Association of Hungarians in Romania [RMDSZ]. Sadly for those who make these statements and recommendations, the facts once again prove something different. Here we have a volume entitled *Encyclopedia Statelor Lumii* (Ed. Stiintifica si Enciclopedica, Bucharest, 1981) from which we quote in regard to nonexistent nationality parties in other countries. The encyclopedia was not published in the imperialist language, it is not "friendly to Horthy," oh no, God forbid. This publication was thoroughly combed by

the "nonexistent" censorship of the "golden age," and thus is honest:

- Swedish People's Party (Finland);
- Southern Tyrolian People's Party (German nationality, Italy);
- Welch Nationalist Party (Great Britain);
- Scottish National Party (Great Britain);
- Catalan Democratic Party (Spain);
- Basque Nationalist Party (Spain); etc."

I learned from Frisians visiting here that in the Dutch territory called Friesland, inhabited by Frisians, a minority political organization called Frisian National Party is functioning.

As we have seen thus far, such counterarguments are rather frequently countered by counter-counterarguments which cannot be appealed: "And what do we care? Romania is a united national state, and that's it!"

Well, all right, as long as we have come to this point, it may be useful to check just where we stand in regard to this "magic pronouncement." At first hearing we conjure up countries like for instance Portugal (99 percent Portuguese), Iceland (99 percent Icelandic), West Germany (99 percent German, not counting more than one million guest workers who by now send their children to schools which teach in their native language, and who by now are not regarded that much as guests), Norway (98.7 percent Norwegian), Denmark (98 percent Danish, Sweden (98 percent Swedish, not counting the several tens of thousands who settled there during the past decades), etc. (International Almanac, Kossuth Publishers, Budapest, 1967.) These should be regarded as the truly unified nations of Europe, in which interestingly no one thinks of voicing this magic claim, or pounding his chest by making this claim.

In this part of the world even honest persons, known for their democratic sentiments become confused by the myth created by some in order to realize that myth by all means. And this myth is always present in places where nationalities reside in large numbers, and whose existence is not preferred by some. The myth is directed against these nationalities.

The nazis also talked about a unified national state. Their watchword, "Ein Reich, ein Volk, ein Fuhrer," expressed this sentiment most concisely. And the myth about a German empire made pure by the removal of the "inferior" Jews, Slavs and Gypsies was diligently hammered into the heads of the "superior" Germans. The tragic consequences of this endeavor are well known.

The non plus ultra of Franco's dreams was also a unified national state in which "it was understood" that no Catalans, Basques or Galegos had a place. To the contrary: such people, such nationalities did not even exist,

because only "pure" Spaniards lived in Spain. At best there were some who for the time being uttered some godforsaken "bastard" language. And during their less than glorious reign, during the four decades of the "long francoist night," they did everything possible to realize that dream.

Unfortunately, we are also familiar with the Romanian variety of the nazi watchword: "O tara, un popor, un conducator," coined by the "genius" of the Carpathians. It seems that both he, and his yes men forgot the origins of this watchword, if they ever realized this.

Quite naturally, it is an undeniable fact that Romania is a unified state. It does not consist of parts, after all. But it is not a national state, because even according to the falsified records of the tyranny, 12 percent of the country's population is not Romanian (Encyclopedia Statelor Lumii, Bucharest, 1981). Accordingly, whoever talks about a "unified national state" in Romania is either uninformed or does not know what that term means, or, even if not openly and consciously, is a late, or much rather an outdated advocate of nazi ideals, engaged in the chase of myths. This advocacy materializes in the forceful integration ("nursery and elementary schools should suffice") and driving out of nationalities numbering several millions, in using other, entirely "democratic" means, and by claiming that if indeed the democratic rights of these nationalities were to be established, they would "endanger" the rights, if not the existence of the majority population.

CZECHOSLOVKIA

Civic Forum Unsettled by Slovak Demands 90CH0399A Prague FORUM in Czech 21 Aug 90 p 2

[Article by Jan Vavra: "By Concessions Toward Agreement?"]

[Text] As we have already cautioned in reports originating with the collegium of Civic Forum, the question of the continued existence of the joint state of Czechs and Slovaks is acquiring relevance through a method which causes astonishment both within the leadership of Civic Forum and also within government circles. It has been stated several times that the principal problem remains the lack of bilateral information. The Slovaks absolutely fail to understand Czech positions and the Czechs have not yet realized that the Slovaks are essentially conducting a national liberation struggle. The meeting at Trencianske Teplice took place in a not exactly ideal atmosphere of escalating demands on the part of the Slovak side, the culminating expression of which became the new proposals for the arrangement of the federal government, made by Premier Meciar. The submission of constantly new demands by Slovak representatives is a well-known problem. Some Czech "negotiators" have already complained that the initiative is always on the other side and that the Czech half is constantly a step or two behind. To the extent to which

we can judge from the scattered indications following the summit, the meeting at Trencianske Teplice did not disperse the growing fears.

The only positive aspect perhaps remains the fact that such a meeting took place at all. Originally, the meeting was to have a purely consultative character but it would seem that the participants did reach some significant decisions. Demonstrating touching care for the fate of ministerial employees, Petr Pithatr indicated that the notions put forward by Vladimir Meciar regarding the arrangement and jurisdictions of the federal government were met, to a considerable extent. In other words, the scenario is not changed and the Slovak initiative continues to hold a lead. First in line will obviously be the Ministry of Transportation and Communications, however, transferring its jurisdiction to the national level will likely only be a part of much more substantial changes within the framework of the constitutional arrangement of federation. In this regard, several discrepancies must urgently give us pause.

Primarily, it is the constant doubt being cast upon the agreement that was concluded following the elections between the victorious political forces in the Czech lands and in Slovakia—in other words, between Civic Forum and Public Against Violence (VPN)—regarding the fact that the question of the federation would not become the object of political bargaining for a period of at least two years. The economic ministers of a federal government can rightfully wonder today why they created their ministries on a federal basis if everything will be changed again. The constant changing of the rules of the game does not contribute either to political or even economic stability and it is the last thing that we need in this economically difficult period.

However, the fact that any kind of agreement among the premiers and their deputies completely ignores the jurisdiction of the legislative bodies is far more momentous. Grave constitutional questions cannot be decided at closed meetings between a few politicians, but must become the object of broad discussion.

In the future, it will be necessary to solve several questionable points. They primarily involve the question of the strategy of the federal and of the Czech Government. A clarification of mutual positions and attitudes would likely contribute to a more rational solution of the entire question. Unfortunately, however, the position of the Czech premier with regard to this question continues to be unclear.

The Czech representatives are faced with a difficult task. Nevertheless, it is already clear now that it will be necessary to take a clear and much more fundamental stand in reacting to the escalating demands of the Slovak side. It is necessary to accurately outline the limits to which it is possible to go and this resolve must be adequately manifested.

The joint republic is perhaps undergoing one of its greatest tests. The ultimate solution of the entire question would, naturally, be a referendum; of course, everyone agrees that the Czech part of the population would consider such a referendum to be a clear signal that there is something wrong with the federation and would vote for partition. And this would certainly not be helpful with respect to our longingly anticipated incorporation into a civilized Europe.

HUNGARY

Antall's St. Stephen's Day Speeches

Weakness Denied; Partial Restoration of Land Ownership Promised

25000785B Budapest MAGYAR HIRLAP in Hungarian
21 Aug 90 p 5

[Report on Prime Minister Jozsef Antall's address at the Peasant Alliance grand rally at Kotcse: "Jozsef Antall: We Endeavor To Partially Restore Land Property"]

[Excerpts] [passage omitted]

[...] the Communist or reform Communist governments voluntarily surrendered power because they knew that they left behind a mass of bankruptcy.

Antall regarded statements which claim that the previous regime left behind a country capable of functioning as lies. Similarly, statements which attempt to pin the blame on the weakness and incompetence of the present cabinet for the troubles are lies, irrespective of which opposition group makes these statements.

No cabinet could be clever enough, or exert some magic power to lead the country out of its crisis rapidly and without pain, the prime minister said. [passage omitted]

In regard to proprietary relations Antall said that it was impossible to establish unity in the country. Various, often conflicting interests prevail among the people. As a result of more than four decades of changed ownership there is no way to restore the property system based on uniform principles. Such attempts raise concerns because they could shake the security of ownership, and this in turn would scare away potential Hungarian and foreign investors. Without [such investments] we cannot count on an economic uplift, only on poverty and misery.

It would be futile to attempt to restore the earlier property conditions, because property has changed hands several times, and [such an attempt] could be challenged in court. Issues that cannot be resolved emerge also in regard to indemnification or damage awards: what should be the limit, who should be indemnified and to what extent?

Full and fair restoration of property cannot take place, it would be impossible to accomplish this, Antall said. This

must be recognized by those personally involved in the matter. The cabinet and the coalition parties endeavor to accomplish exclusively a partial restoration of land ownership. In this regard they are searching for a possible rational compromise. But even in this regard only persons involved in basic agricultural activities may be considered.

Full Scale Development Demands Greater Burden
25000785B Budapest MAGYAR HIRLAP in Hungarian
21 Aug 90 p 5

[Report on Prime Minister Jozsef Antall's address at Szombathely: "With Joint Responsibility"]

[Excerpt] [passage omitted] Regarding the tasks, [Antall] stressed that "At present, transcending the dictatorship, the world of the state socialist system which discouraged mankind, and leading the country out of the crisis [is the task]. This can be accomplished with a free, democratic cabinet capable of governing, and by sharing responsibility with the opposition, which is supposed to exercise criticism. But one matter must be seen clearly by everyone: It is impossible to simultaneously support agriculture and technical development, as well as entrepreneurs and culture while taxes and the burden [on people] decline, as is expected by the people. It would be impossible to fulfill this expectation. All this can be resolved only by a greatly burdened nation, with much patience and with the harnessing of passions."

"Part of the matter of clarifying the situation is that those who took part in the exercise of power should ponder the consequences of their management and the problems that resulted. They should recognize that they left behind a mass of bankruptcy, that they must step aside, and it would be better if they decided to step aside voluntarily. On the other hand, it comes as natural that those who sinned against the country should also have a place in reconstructing the country."

Government Spokesman on Oversight of Publishing House
90CH0390B Budapest NEPSZABADSAG in Hungarian
16 Jul 90 p 4

[MTI report: "The Government Spokesman's Clarifications"]

[Text] Laszlo Balazs, the government spokesman, requested MTI [Hungarian Telegraph Agency] to disseminate the following clarifications.

At the government spokesman's news conference on Friday, an unfortunate misunderstanding occurred regarding the oversight of some newspaper publishing enterprises. Given that in several particulars the newspapers printed incorrect information, the spokesman finds it necessary to set the record straight:

"First, the Pallas Newspaper and Book Publishing House is a government enterprise that has so far been and

continues to be under the oversight of the prime minister's office. In this respect, then, there has been no change whatsoever. That was the information I gave at the news conference when, in one of my responses, I mentioned that one of the newspaper publishers fell under the oversight of the prime minister's office.

"Second, the MSZP [Hungarian Socialist Party] relinquished its oversight of the Newspaper Publishers Enterprise in favor of the government. Consequently, the government merely had to decide whether it would be the prime minister's office or one of the ministries which would have direct oversight over the enterprise. Regarding an earlier report that the Ministry of Culture and Education had supposedly been selected, the final decision on that matter conferred the government's oversight authority on the prime minister's office.

"Third, oversight of the Hungarian Radio and Television Network has not changed and there was no mention of any change.

"Fourth, oversight of the Hungarian Telegraph Agency was transferred from the Minister of State to the Minister of Culture last year. At the cabinet's last meeting, it was decided that in the future oversight of the MTI would also be done by the prime minister's office, as used to be the case some time ago. This amounts to a restructuring of responsibilities within the government itself.

"Fifth, as regards a government enterprise falling under the oversight of the cabinet itself, with the exception of cases provided by law, the government cannot order it to take specific economic measures or to bar same. In contrast to the so-called autonomous enterprises, in the case of government oversight the founding firm enforces the rights of the employer under its director's supervision.

"Finally, I would like to recall that it is this spokesman who was surprised by the expressed 'amazement' of the Magyar Nemzet [Hungarian Nation] Journalists' Foundation. This foundation is indeed a joint owner, together with Pallas Publishers, of Magyar Nemzet kft. [Magyar Nemzet Limited], which publishes MAGYAR NEMZET. Accordingly, it is really astounding that the coowner acts as if it did not know that the Pallas Newspaper and Book Publishing House, in its capacity as a government enterprise, came under the oversight of the prime minister's office heretofore as well."

MSZMP Chairman Thurmer Interviewed by PRAVDA
90CH0426A Budapest MAGYAR NEMZET in Hungarian
11 Sep 90 p 6

[“Translation” of interview with Hungarian Socialist Workers Party Chairman Gyula Thurmer by PRAVDA Budapest correspondent Gerasimov, published in

PRAVDA on 25 August 1990; place and date of interview not given: "Document of Our Age"—first two paragraphs are MAGYAR NEMZET introduction]

[Text] Several analytical statements and critical political advertisements appeared in the Hungarian press concerning the first 100 days of the government of the Hungarian Republic. These statements and advertisements will be made more colorful by Gyula Thurmer's statement published in PRAVDA. Presentation of the full text of the interview yields an authentic picture of the MSZMP [Hungarian Socialist Workers Party] chairman's position. The text speaks for itself, therefore no comment is necessary.

The 25 Aug 1990 issue of PRAVDA presents an interview with MSZMP Chairman Gyula Thurmer, by that newspaper's Budapest correspondent, Gerasimov. The interview is entitled "Attack on Democracy." The subtitle of the article underscores that "the persecution of members of the old and of the renewed MSZMP has begun and that anti-Soviet and antidemocratic attitudes may be observed."

Translation of the interview follows:

[Gerasimov] What facts support your statement according to which a witch hunt and manhunt for persons who think differently has begun?

[Thurmer] Deep-seated changes are taking place in Hungary. In reality, the restoration of capitalism is in process. Initially the Hungarian Democratic Forum [MDF] and its allies, while proclaiming Christian national ideas, "abstained" from raiding communists. Moreover, they stressed that there will be no persecution. At the same time we recognize that a concentrated attack has been launched against the cadres of the "Kadar era."

House cleaning within the state apparatus and in offices is taking place. The other day 900 officers were dismissed from the Ministry of Defense because they were part of the old system. They are relieving a number of employees at the Ministry of the Interior and at State Security. Not only communists are involved, but those who had something to do with the autumn 1956 events and were awarded the order of "For Worker-Peasant Power" are also affected. Workers of the apparatus of the former MSZMP and its Central Committee are subject to discriminatory persecution. Not even the cleaning woman at the Central Committee is able to find work.

I believe that house cleaning policies at enterprises cause huge losses to the people's economy. They are dismissing the best known economic leaders who did much for the country. The president of VIDEOTON for example, has been defamed for no particular reason. All this applies to hundreds and hundreds of leaders. Presidents of producer cooperatives are looked down on and are held in contempt. They are accusing them of corruption without grounds. The ruling bourgeois parties call the latter "green barons."

Meanwhile a series of attacks is launched against cooperative property which showed a dynamic growth during the past several years in the countryside and remarkable success well known throughout the world. The country may be left without bread—this is what economists call attention to, because of efficient integration between large cooperatives and household farms, farming property becomes severed if land is returned to the old owners.

Our workers' party—the way we increasingly call the MSZMP—maintains accurate records and documentation about human rights violations and concerning persecution based on people's political conviction. We made a decision to turn to the Constitutional Court and to the international organizations which protect human rights. We inform the Council of Europe and the European Parliament about rights violations. Democracy must mean democracy. This issue is always on the agenda of our Central Committee meetings and press conferences. We call the attention of Hungarian public opinion to these antidemocratic and unconstitutional manifestations in the domestic policies of the ruling parties.

[Gerasimov] In your view, will the attack launched by conservative forces gain strength?

[Thurmer] National guard units are formed in various areas of the country, these may support the right wing. Our Workers' Party protests the removal of statues honoring the Soviet liberation army. Hundred and sixty thousand Soviet soldiers lost their lives in Hungary, and now the rightwing forces attempt to review the past in general, and to whitewash the Horthy era. Conservative trends prompt the ruling parties to liquidate the Association of Hungarian Resisters and Antifascists, as well as the Hungarian-Soviet Friendship Society.

[Gerasimov] MDF Representative General Kalman Keri's National Assembly remarks evoked strong reaction in the country. He termed the disgraceful World War II military campaign of Horthy's army against the Soviet Union as "just." How does the Workers' Party view all this?

[Thurmer] General Kalman Keri addressed this issue to support building the spirit of the present Hungarian army. The general said no more than what one may expect as the logical continuation of the ruling parties' political propaganda. Our Party's Central Committee stated the other day that the general's words—which he repeated more than once on radio and in the press—serve to revive nationalism, anticommunist hysteria and anti-Soviet propaganda. It appears that slowly not a single word will be said in Hungary in the form of an official assessment about the antifascist struggle, the just character of that struggle. The fact that National Assembly President Gyorgy Szabad viewed General Keri's remarks as a dignified, patriotic act is distressing. Prime Minister Jozsef Antall also defended the general.

An anti-Soviet stance is not on the banner of any modern state. This is different in Hungary.

[Gerasimov] Is there a chance for left-wing forces to gain strength in this situation?

[Thurmer] In our Party's view the cause of socialism is not lost in East Europe. Leftwing forces must cooperate and get together. Short of such cooperation, societal and national interests will suffer significant damage, they will become poorer. I visited France recently and became convinced that upon witnessing the East European change in power, workers are afraid that this process may result in the infringement of their rights. This is so because socialism exerts a tremendous effect on capitalism. There will be a need for leftwing forces to continue exerting this effect also in the future. To accomplish all this, the actual renewal of socialism is also indispensable of course.

Our Party was the only party to publish the shorthand minutes of the CPSU's 28th congress. These minutes help us and all leftwing forces, but they also help the cause of socialist renewal. Quite naturally one must not return to the old "variation" of socialism, but this does not mean that capitalism must be accepted without reservation. We are struggling for the construction of a democratic society, for the development of mixed ownership forms in addition to the leading role of collective property, and for the establishment of a regulated market. We stand for strengthening Hungarian-Soviet relations. It would be inappropriate to damage our ties with the Soviet Union, the way this can be observed in today's Hungary. Preserving these ties is in the national interest. The Workers' Party will fight for establishing conditions for the uplift of leftwing forces, and for the renewal of socialism.

MDF-MSZP Confrontation on Scope of MSZP Legal Succession

25000785D Budapest NEPSZABADSAG in Hungarian
23 Aug 90 p 4

[Article by Andras Sereg: "Political Debate in the Judiciary Committee: In What Respect Is the Socialist Party a Legal Successor?"]

[Excerpts] At yesterday morning's session of the Committee on Constitutional Affairs, Legislative Drafting and the Judiciary a pointed political debate was sparked between a few representatives from the governing party on the one hand, and two committee members from the Socialist Party [Hungarian Socialist Party—MSZP] on the other. In relation to a legislative proposal whose original intent was to govern the financial accountability of certain organizations tied to the old system, [Representative] Zoltan Gal (MSZP) said that it would be inappropriate for the Hungarian legislature to express an opinion in regard to one of the opposition parties.

Gal said that the proposal concerning property issues contains political value judgments. These are totally

unnecessary, in his view. The proposal makes value judgments when it lists the MSZP, (together with other organizations named) as one of "social organizations tied to the era that preceded the free elections." The MSZP representative objected to the apparently discriminatory provision.

Gal made it clear that from the standpoint of the property law, the MSZP is indeed the legal successor to the Hungarian Socialist Workers Party [MSZMP], i.e., he agreed with the idea of financial accounting. But as a result of the [need for] financial accounting, he did not regard himself as a political heir to the former state party. In his response Hungarian Democratic Forum [MDF] faction leader Imre Konya stressed the legal ties, then noted that the cabinet's legislative proposal did not take a position as to whether the MSZP is also a successor to the MSZMP from a political standpoint. Gal retorted by saying: "Why then is it necessary to state as part of a law that the MSZP is tied to the past system?" The inclusion of a political view of any content as part of a law may establish a dangerous precedent, Gal continued. In the end, after making small changes in the proposal, the committee supported the legislative proposal, even though it was unable to reach a decision concerning the title of the law. [passage omitted]

The committee also supported the legislative proposal governing discontinuance of management rights exercised by social organizations. If adopted into law, the essence of these provisions is that management rights exercised by social organizations over state property would cease without indemnification. The proposal claims that the Ministry of Finance, and the organization with a somewhat fancy name: The Institution to Manage and Utilize Sequestered State Property [ZAVKI] are entitled to manage these pieces of real estate.

MDF's 'Justitia Plan' To Hold Former Nomenklatura Accountable

Press Conference

90CH0430A Budapest NEPSZABADSAG in Hungarian
28 Aug 90 p 4

[Article by K. J. T.: "Within the Law, Befitting a Constitutional State"]

[Text] "Tens of thousands and hundreds of thousands of people need not be afraid: Millions may rest assured in Hungary," according to Hungarian Democratic Forum [MDF] faction leader Imre Konya at a press conference held during the luncheon break of the National Assembly session. Konya was commenting on the viewpoint of the MDF parliamentary delegation concerning last week's cabinet decision to establish a Committee to Investigate Unfair Advantages [JEVB]. "The uncertainty people feel must be dispelled, no one should have to go to bed without being certain as to whether an investigation will be started against him," MDF representative Ferenc Grezsa added.

Responding to public pressure, satisfying the people's sense of justice, MDF representatives requested on 11 June that the prime minister accelerate the liquidation of unfair advantages and privileges acquired during the previous regime, according to Konya. They established an 11-point plan. As may be seen from last week's cabinet decision, the representatives' request was received favorably. The JEVB will be established, and paralleling this, the minister of justice will propose to the parliament that it establish a special committee.

Konya expressed his view by saying that it is impermissible for political and state leaders who ruined the country to reside in villas with eight or nine rooms. For this reason it became indispensable to review the terms under which these apartments and buildings are leased or owned. Our reporter inquired: Who would move into these residences if the fact of illegality is established and if the present residents are evicted? Should a recent statement made by a deputy state secretary of the Office of the Prime Minister serve as a guide, according to which the government was unable to provide housing to the new state leaders and government executives who moved to Budapest from the countryside? Konya responded by saying that the villas which may be vacated will not be occupied by the new leaders. With the changing system the era in which certain individuals may receive villas in recognition of their political merits has permanently ended. If necessary, the new leaders will move into service apartments which they must surrender at the conclusion of their respective terms of office.

Asked if the new state leaders and National Assembly representatives satisfied the legal requirement of submitting financial statements, and if so, whether those statements were made public by way of the press, consistent with the practice followed in Western democracies, Konya said that it was indeed correct that the present leaders and National Assembly representatives must submit financial statements. But the MDF faction leader could not tell whether these financial statements were prepared, and whether they could be publicized, if they were.

Special pension payments were also dealt with heavily at the press briefing. One cannot rule out the possibility that the pension payments of those enjoying special retirement privileges will be adjusted to the average pension levels appropriate to the former trades or professions of these persons. For instance, if a person was a baker or a lathe operator a long time ago he would receive a pension commensurate to the pensions received by persons engaged in those trades, according to Konya. Moreover, the faction leader would be inclined to provide minimum pension payments to persons proven to have caused harm to society.

Quite naturally, the MDF envisions doing justice only in the framework of law, in a manner befitting a constitutional state, the representatives stressed.

Text of 'Justitia Plan'

*90CH0430B Budapest NEPSZABADSAG in Hungarian
28 Aug 90 p 4*

[Text] The new government will be able to win the citizens' confidence only if it responds to questions which preoccupy many, and only if it attempts to make justice in regard to each and every matter regarded as injustices by many. The following resolution summarizes the issues and main principles we expect to be among the first ones to be resolved by the cabinet:

1. An authentic, comprehensive study which describes, introduces and reveals the economy and the policies, the decision making processes and the decision makers of Hungary during the post 1956 era should be prepared. This examination should extend to the individual responsibility of persons, including political responsibility. Processes to hold persons to account, and criminal proceedings against persons responsible for the country's catastrophic situation should commence as necessary.
2. The cabinet should prepare itself to continue the financial review processes initiated by the previous National Assembly. The period subject to examination should be extended to begin on 4 November 1956. The review should determine the sources which contributed to the accumulation of wealth which so broadly prevailed among previous political leaders, and should state whether abuses were involved. Criminal proceedings should be initiated if abuse is suspected.
3. Certain retirement issues pertaining to the political leadership, the circumstances of old age and the early retirement of persons appointed to political positions held between 4 November 1956 and 2 May 1990 (involving positions held in the party, the armed units and troops of the party as well as party officials) should be reviewed. All prerogatives should be discontinued. The amount of pension shall be calculated on the basis of original occupation. The new pension should not exceed the average pension received in a given category of occupation.
4. In the process of reorganizing the pension system in general, the cabinet shall review the composition of existing pension payments, and existing disproportions.
5. Unrealistic executive income shall be discontinued, and the income of executives shall be regulated. The state shall establish income parameters at firms owned by the state, and in firms in which the state's ownership share exceeds 50 percent. The highest income earned in such firms shall not exceed the salary level assigned to the highest public office.
6. Regarding the general appraisal of leaders, existing executive appointments shall be suspended in every place where the state is involved, in that part of the economy in which the state owns or exercises majority control over firms, in public institutions, educational institutions and in all organs which receive appropriated funds. Such suspension shall have retroactive effect, beginning on the date established by the legislature. The cabinet shall develop an institutional

system for the appraisal of leaders, and the appraisal shall be completed in the course of 1990.

7. A law governing conflict of interest shall be enacted. The cabinet shall develop a legislative proposal to regulate conflict of interest in general. Any person with authority to dispose over public property (executives in the state sector of the economy, state leaders) should be able to conduct other activities only pursuant to strict rules.

8. The creation of any firm established after 1 January 1989 based on state property shall be reviewed. Any firm partly owned by the state shall also be reviewed. The cabinet shall appoint a government commissioner for this purpose. In the course of his activities, the government commissioner shall determine whether action detrimental to public property was taken. All necessary proceedings shall be initiated in the event that such action took place.

9. Accounting for the property of "social organizations." The cabinet shall develop and propose to parliament a legislative package concerning utilization of the property of the former Hungarian Socialist Workers' Party [MSZMP], the armed forces of the party, the Hungarian National Defense Association [MHSZ], the former Council of Trade Unions [SZOT] and of the Patriotic People's Front. Until such law is created the cabinet shall act so that no exchange of property takes place and no long-term commitment is made in regard to such property.

10. The cabinet shall deal with ownership issues pertaining to former so-called interest groups, such as the National Federation of Artisan Cooperatives [OKISZ], the National Organization of Artisans [KIOSZ], the National Free Organization of Retailers [KIROSZ] and the former Council of Producer Cooperatives [TOT]. Decisions in regard to these matters may be made only by the legislature. Meanwhile the exchange of such property or the making of long term commitments shall be prevented.

11. Removing weapons from the public. The cabinet shall make provisions so that privately owned weapons are handed to the government. Citizens should be able to acquire weapons based on new, stringent rules. Urgent action shall be taken in regard to persons bearing arms, who exercised power in the past.

It would be difficult to gain the desired public confidence in the future, if justice is not done.

Editorial Condemnation

90CH0430C Budapest NEPSZABADSAG in Hungarian
29 Aug 90 p 3

[Editorial by Laszlo Hovanyecz: "Fatal Blindness?"]

[Excerpts]

[passage omitted]

As the events indicate, the MDF [Hungarian Democratic Forum], the cabinet and its partners in coalition consistently endeavor to take political steps which veil the fact

that the government has no real action program. Yes, this must be stated at last, and perhaps repeatedly: the governing coalition does not have a real program, one that would be able to provide the oft mentioned evolution in the short term or in the long run. In light of this fact it appears as logical that after numerous futile investigations of the previous regime's leaders, the MDF prepares a "package plan to do justice," establishes the JEVB, and to top off all this, prepares a program called the Justitia Plan.

[passage omitted]

One feels as if the foundations for illegality veiled in the cloak of pseudo legality were being established.

[passage omitted]

SZDSZ Chairman Comments

90CH0430D Budapest NEPSZABADSAG in Hungarian
31 Aug 90 p 7

[Interview with SZDSZ (Alliance of Free Democrats) Chairman Janos Kis, by Lajos Pogonyi; place and date not given: "Janos Kis: The Justitia Plan Is Illegal"]

[Excerpts]

[passage omitted]

[Pogonyi] Let us start with the conclusion of the first 100 days of the Antall administration. What is your view of the charity package cutely named "Justitia Plan," advanced by the MDF [Hungarian Democratic Forum] delegation of National Assembly representatives, several points of which enjoy the cabinet's support?

[Kis] It's none other than an election campaign trick.

[Pogonyi] How do you support this statement?

[Kis] At the time the coalition cabinet submitted to parliament its legislative proposal concerning amnesty, it decided to grant procedural clemency to all the people against whom it now wants to initiate proceedings. It did so despite vocal protest by the SZDSZ. They ought to tell the public that neither prosecutorial investigation nor court proceedings are possible regarding these cases. Several SZDSZ representatives paid visits to Imre Konya after the MDF press conference early this week, requesting to see the legislative proposal containing the Justitia Plan. All were told that there was no written legislative text. In sum: the Justitia package serves only to influence the public mood and to further destabilize the political situation.

Who Are the Good-for-Nothings?

[Pogonyi] Meanwhile public opinion is divided, of course. Some say: "At last!" while others become even more uncertain about the situation.

[Kis] I agree with that. People who should not have to be afraid based on the law, and others who appropriately expect that social justice will be administered may be reassured and relaxed only by strict, legal proceedings. The Justitia Plan is simply illegal. The investigating committees to be designated in the future cannot replace professional prosecutors and judges.

[Poganyi] As if the whole thing smelled like a people's court....

[Kis] We shall see. Just as it did thus far, the SZDSZ will continue to watch that people are held to account in a strictly legal framework.

[passage omitted]

Public Opinion Poll Results

90CH0430E Budapest MAGYAR HIRLAP in Hungarian
30 Aug 90 p 7

[Report on public opinion poll issued by the Public Opinion Research Institute, by Peter Szecsodi: "Who Is Responsible for the Crisis? The Former MSZMP [Hungarian Socialist Workers Party] Leaders Are Being Damned"]

[Excerpt] [passage omitted]

In your view, who bears the greatest responsibility for Hungary's crisis?

(Please rank first the one who bears the greatest responsibility, followed by the one who bears the next greatest responsibility, and so on!)

Ranking (average number of points)	
1.64	Former leaders of the MSZMP
2.93	The Soviet Union
3.03	Enterprise leaders
4.00	Former members of the MSZMP
5.19	Those who avoid work
5.32	Those who pulled off clever tricks
5.65	Western banks, creditors

In what ways should former party and state leaders who brought this country into a crisis situation, be held accountable?

(Percentage distribution of responses, n = 738)

Financially, severely, (e.g. confiscation of property)	65
Morally (e.g. public condemnation)	31
Financially, weak measures (e.g. reduced pension payments, fines)	29
Loss of freedom (e.g. imprisonment)	17
Politically (e.g. exclusion from party, ineligibility to hold leadership position)	16
Other response	9

Respondents may have provided several answers, thus the total number of percentages exceeds 100.

PPF Changes Name to 'Association of Social Organizations'

90CH0387B Budapest FIGYELO in Hungarian
5 Jul 90 p 4

[Article by Fricz: "What Does the TESZ Do?"]

[Text] If anything is important, it undoubtedly is that the change in systems should not involve merely political and governmental institutions but should also transform society and people's lives as well. From this perspective it might seem an important event that the Patriotic People's Front [PPF] was transformed into TESZ, that is, into the Association of Social Organizations.

All the more so as several members of its executive board declared that the evolving organization (movement?) considers as its primary task the integration and support of civilian society's movements and structures. The only problem is that public sentiment and public opinion cannot be altered by means of one or a few expressions of intent. The organizations closely or even indirectly linked to the [former] party state—and thus the Patriotic People's Front as well—have worn out their credibility over several decades, and it is completely understandable that their self-preserving, self-transforming efforts are not greeted with thunderous applause, but rather with indifference and in worse cases by hostility. Perhaps it is not even a coincidence that those organizations which have so far announced their adherence to the Association of Social Organizations cannot be considered those with the largest memberships, or the most significant, or let us put it this way: To say the least, the list of the organization's members is indeed modest.

Naturally, it can also be mentioned in connection with the transformation of the PPF into TESZ that in this case, too, essentially some leaders managed to retain their positions of power, that is, that this is the "only" change that happened. Perhaps an even more important problem, however, is that it is not a freely and voluntarily organized association which wishes to help citizens in founding and forming new organizations, but rather a traditional institution, structured for giving—and receiving!—directions and guidance only from the top. If anything, it is precisely the local social sphere in the life of the citizenry within a civil society which can least be organized and institutionalized from the top. The soundest thing would be for the civil associations, bodies, groups, and so on to bring themselves into existence, through their own initiatives, their truly responsible association, for all the citizenry would then feel that those were their organizations.

But, no matter what anyone does, the Association of Social Organizations has come to life. I hope that it will work smoothly and effectively. Still, I wish even more that strong and self-confident competitors be created as fast as possible.

'Death-Struggles' of Council System: Uncertainty, Chaos Reign

90CH0329B Budapest REFORM in Hungarian
20 Jul 90 pp 1-2

[Reports by Zoltan Gyore and Geza Kruppa: "The Councils' Mini-Dictatorships Are Fighting for Their Lives"]

[Text] Only legally elected, legitimate local representative governments are fit to be called self-governments and local administrations.

Should we sweep things clean from top to bottom?

"We were labeled as slavish supporters of the old regime...", the little stepbrothers of "our comrade-uncles" are complaining.

At the higher levels the change of regimes has bogged down, while time stands still in the counties. The functionaries of the old regime do not move from their desks. The former local lords continue to enjoy the privileges due them on account of their positions. At most, they use more refined methods to achieve their goals and are more difficult to catch red-handed. Elsewhere, they decided not to make any decisions. In places like that, life has come to stand still. Before local government elections one cannot even dream of changes...

Is this really the case? In any event, we tried to find out whether the above image (which appears to be a little sketchy) is correct. How much of it is true? Our nationwide search revealed what we expected: Half of the image is true (if not literally), on the other hand, even what is not true does not necessarily contradict the facts. One thing is certain: The waters are not still! Even the local councils are saddled by uncertainty. Some people are nervous because they know that their days in those posts are numbered. Others feel that their time has come; from the role of an ignored pawn they could at last hope to be promoted. There are those who mutter behind the case folders piling up: "We keep on working, and yet no one is asking for our views." A clerical supervisor at a local council sums up his views: "Members of the MDF [Hungarian Democratic Forum] are naive and optimistic if they think that democracy will change the old instincts, or if they believe in our leaders who have suddenly become clean, and about whom we know that they are corrupt, hypocritical, morally depraved and ill-trained."

Neither With Them, Nor Against Them?

"Perhaps that is the best description of the councils' situation in Vas county during this period of transition. Administrative agencies and apparatus are working under much more difficult circumstances than before, because the transformation of the political system has not been completed yet," summed up his views Dr. Zoltan Bors, the retiring president of Vas county council.

"One day we were told that people working at the councils would be needed, but within 24 hours the

various parties announced that there would be sweeping changes from top to bottom," he added. In his view, this produced an air of hesitance, which is revealed by the fact that the valuable experts started looking for work elsewhere. Those who left or are ready to leave will accomplish two things at the same time: They improve their financial situation by taking jobs in the new economic organizations, and they free themselves of the political pressure that they had to bear while working at the council.

Thus far, 30 individuals left the administrative work force of the Vas county council, which amounts to a 15 percent reduction. Most of those who left were experts in finance, industry and commerce, or were associates of the [council] president's office. The situation is somewhat better in the county's seven towns, while there is no perceivable exodus in the smaller communities. There are not many job opportunities in the villages, and when the administration consists of two or three people, there is not much of an opportunity to cut back. At the same time, it is a good sign that in 28 communities the functions of mayor are performed by unpaid office holders.

The departing president of the Vas county council feels that we should not focus our attention on the future of administrators, but on that of the councils' employees and their experts. The fate of administrators is a political issue which will be decided by the coming local elections. On the other hand, making sure that the residents' affairs will be taken care of quickly and in an expert manner is not something that should be ignored.

The Worry of Villages

"Are you kidding? How could we be getting ready for the local elections? As of now, we do not even know what will remain here in this village? If the shop of the local agricultural cooperative stays here, where will it pay taxes? If it does not stay here, who will support the local council aldermen? Or the judge? Or anyone else? ... I am not saying, sir, that you consider us idiots when you encourage us to do this or that. After all, we are not idiots; we are not even especially 'behind the times.' The problem is that our greatest worry here is not the building of the oft-mentioned local democracy with this party or that: Our worry is, rather, that if there is a responsible local leader or a citizen who loves this village, he is likely to feel threatened. And if anyone in these positions claims that he is able to make plans and sees the future, then he is lying. And now hold on tight: Our primary complaint is not that we have no idea what we can expect, but that until now at least we knew what we could not count on.... Do not consider me pessimistic or someone who wants to scare people. Anyway, they used these words much too frequently in the old days. I am only stating the facts, nothing more... This is what happened recently in this village: The famous agricultural cooperative sold its cold storage plant last year, because it could not repay the loan. It still went into bankruptcy. Workers for the cold storage plant will be

brought in by the new owner: Nearly 100 people became unemployed. A local entrepreneur has been investigated for almost a year now, supposedly because of serious irregularities. Again, he used to employ about ten, fifteen people. The water works cooperative went into bankruptcy: The gardeners did not pay their water bills while the whole procedure was going on; the new water lines have only their ditches dug, since the water works' accounts were closed. Half of the people who worked for MAV [Hungarian State Railways] were chased home. Quarrels broke out in the schools; everyone denounced everyone else; the principal was suspended; his assistant fled, and the better teachers are looking for new jobs. There also used to be a printshop here, at AFESZ [General Consumer and Marketing Cooperatives]; it stopped working because it had no orders. Now I hear that the local stores are also up for sale, but who would be crazy enough to buy them. You see, this is not the capital city, Lake Balaton or the Danube Bend [resort areas].... This is just an average Hungarian village. You tell me, how should we get ready for the local elections?"

(The monologue has been recorded by Peter Vincze)

They Must Go, At All Costs

[The town of] Godollo has already shown itself to be a pioneer in accelerating the political transformation. This time the local organs of the various parties took aim on the town council: They collected signatures calling for the resignation of the council president, because they were dissatisfied with his actions. The president, Istvan Papp, did not wait for the conclusion of the attack; he resigned. However, he did not lose his initiative; he will soon open a butcher shop in Dunakeszi. He is not afraid to work with his hands, and he will slice bologna the way the gentle customers wish it sliced. But the local MDF is still unhappy: Now its members are questioning how the former council president was able to obtain a loan to open his shop. According to Istvan Papp, he did not use any influence, and his struggle to obtain the loan started as far back as January.

More and more people follow the former council president's example. One after another, the civil servants leave their posts to look for new jobs. The secretary of the executive committee, Dr. Ilona Horvath, also threw in the towel and resigned. "I am fed up," she said, "We have been labeled as the servants of the old regime, and it is said that the entire staff at the council is unsuitable to perform professional work. While on the one hand they swear at us, they still expected us to conduct the elections, and now we are expected to prepare for the election of local governments and the referendum on how to choose the president of the republic [on 29 July]. People in this office work very hard and instead of recognition they receive insults. But, of course, this has always been this way; members of the old guard (regardless of their decency or their professional skills) must go in order to make room for the candidates of new authority."

Pol Pot County—Without a Leader

"It is not the experts who need self-government, but the other way around," says Dr. Laszlo Toth. The secretary of the Szeged City Council's executive committee denies the widely circulating rumors that the council's vice president, who is also that body's provisional leader, used his contacts abroad to acquire a job for himself in West Germany. To the best of his knowledge, starting this September the vice president will teach in a local trade school. At the initiative of a council member and a journalist, local legislators in the capital of "Pol Pot county" got rid of two mayors in recent years. Still, the leaderless council performed the most important of its tasks. Its members are certain that they will similarly be able to meet the requirements during the upcoming elections for local offices.

The local press started to introduce nominees for the office of mayor. Thus far, two individuals spoke about their plans in the event of being elected. The city's chief architect, and its lawyer, considered one of the city's richest man, both promised to "fill the larders" and enrich the city's populace. However, according to the secretary of the executive committee, there will be at least a dozen people vying for the position.

Two Ministries Renamed, Functions Rearranged

25000785E Budapest MAGYAR HIRLAP in Hungarian
23 Aug 90 p 3

[Article by "-farkas-: "Legislative Proposal Without Title"]

[Excerpt] [passage omitted] Based on the legislative proposal [approved by the parliamentary committee on the Judiciary], the designation "Ministry of Environmental Protection" would be changed to "Ministry of Environmental Protection and Regional Development," while the designation "Ministry of Transportation and Communications" would be changed to "Ministry of Transportation, Communications and Waterways." These designations also reflect changes in work assignments: Construction regulatory tasks will be assigned to the Ministry of Environmental Protection and Regional Development, while state administrative functions regarding waterways will be performed by the Ministry of Transportation, Communications and Waterways. [passage omitted]

Office for Minorities Established; Unfair Advantages To Be Probed

25000785C Budapest MAGYAR HIRLAP in Hungarian
25 Aug 90 pp 1, 3

[Report on cabinet press conference by "-farkas-": "Cabinet Proposal Concerning the Offices of Mayors; Holding to Account, Not Witch Hunt"]

[Text] Three decisions made at Thursday's cabinet meeting justified the fact that deviating from original

plans the cabinet held a press conference even in the absence of cabinet spokesman Balazs Laszlo. The three issues were as follows: a decree concerning the establishment of an Office for National and Ethnic Minorities, a decision concerning the establishment of a Committee to Examine Unfair Advantages, and the approval of a legislative proposal to be submitted to Parliament concerning the performance of the functions of the office of the mayor.

The Office for National and Ethnic Minorities will perform state administrative functions related to national and ethnic minorities. These functions will be performed by the Office in its capacity as a state administrative organ with national jurisdiction. The Office will assume the functions of the Nationalities and Ethnic Secretariat which works alongside the Office of the Prime Minister, according to Minister Without Portfolio Gyula Kiss. Kiss stressed that the office will not be engaged in interest representation. At the same time however, the Office is intended to maintain broadly based contact with nationalities organizations, as well as with the parliamentary spokesman for minorities. Plans call for an information and legal aid bureau to be established within the Office. The prime minister will appoint a chairman with the rank of deputy state secretary to head the Office for National and Ethnic Minorities, based on the recommendation of Minister Without Portfolio Gyula Kiss, who oversees the Office.

Responding to questions, Office of the Prime Minister Political State Secretary Miklos Palos said that it will be the distinguished function of the Office to develop a law to protect minorities.

[Justice Minister] Istvan Balsai informed the press about the establishment of the Committee to Examine Unfair Advantages [JEVB], and about a cabinet decision to the effect that the justice minister will propose to the National Assembly that it should establish a parliamentary committee to examine the political responsibility and financial situation of certain parties and party leaders. The justice minister explained that the JEVB will be a committee composed of experts—social scientists and jurists—and will develop proposals for discontinuing social injustices linked to the past system which offend the citizens' sense of justice. Balsai's words conveyed the sense that this would be a body to accelerate deregulation, one that would recommend the repeal of legal provisions which violate the concept of equal opportunity for citizens.

Establishment of the JEVB, as well as the proposal to establish the parliamentary committee is part and parcel of the cabinet's proclaimed program. The cabinet will only make a proposal for the establishment of the parliamentary committee, and the Parliament and its committee will decide the personal scope and duration of such examination.

Asked how the cabinet perceives the establishment of the special committee—whether on the basis of parity, or in

due regard to the relative strength of various parties seated in Parliament—the minister declared that in his view every parliamentary committee must reflect the relative strength of parties seated in Parliament, because any other solution would be contrary to the will of the electorate. As part of a question this newspaper raised the point that in several West European parliaments special committees are established on the basis of parity. Balsai responded by saying that he did not regard this method as democratic. Several journalists asked whether the establishment of such a committee would lead to a witch hunt. One need not be concerned about that, the minister said.

The cabinet intends to present to Parliament a priority legislative proposal concerning the performance of the functions of mayors, the justice minister said. The proposal would cover the legal status, work relationship and compensation of mayors elected by local autonomous governing bodies. Balsai pointed out incompatibility provisions as the essential element of the proposal. According to these provisions a mayor could not pursue an additional income producing occupation, could not be a member of the board of directors of a business organization, and could not hold office in a [political] party. A mayor would have to end the causes of incompatibility within 30 days from date of his election; insofar as a mayor fails to do so, the [local] representative body would be obligated to relieve the mayor of his duties. Local autonomous governing bodies would decide the level of compensation to be provided to mayors.

National Association of Workers' Council Founded Amidst Scandal

90CH0329A Budapest REFORM in Hungarian
20 Jul 90 p 14

[Article by Andras Udvarhelyi: "The National Association of Workers' Councils Is Founded Amidst Scandals; Bajtay of the MDF [Hungarian Democratic Forum] Called Sandor Racz a Communist; Workers Are Embarrassed Because of their Shouting Leaders"]

[Text] The initial meeting of the National Association of Workers Councils, held last Saturday, began with a scandal, continued with fighting and ended with tasteless insults. That was not what brought here the 80 or so worker-delegates from all parts of the country; they came to create an organization to protect workers' interests which could be a fit partner for any future government. However, anyone who understands politics might have known that uniting the National Workers Council, the Central Workers Council and the MDF's [Hungarian Democratic Forum] Council for the Protection of Workers Interests would not be an easy task. In a strange sort of way, the invitations revealed that it was primarily the MDF that urged this meeting. But that would not have been suspect. However, when it came to light that the meeting's manager, Imre Palkovics, as well as Janos Desi, who talked about social peace, are the MDF's

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parliamentary deputies, it was no longer doubtful that it was in the interest of the strongest governing party to place the new national organization under its control.

The first altercation broke out when the person most deserving of the post of president, Sandor Racz, rejected Janos Denes' accusation that he is not legitimate. In his speech he criticized the government for being indifferent about the fate of workers, and the courts because instead of looking into the reasons driving the miners of Markushegy into a strike, they debated whether the strike was legal or not. Then a worker told the busybody Arpad Balogh where to go. There was no chance to settle the mood of those present, because Jozsef Bajtay, the other MDF star of the day, initiated a crude attack against Sandor Racz. For hours the debate went on about a point of the planned program, namely, whether workers are allowed to elect their leader or not. In the end, the forceful and aggressive Jozsef Bajtay's proposal was accepted with a small modification, retaining the right of the workers councils to veto managers they did not like.

The debate between Bajtay and Racz was not over; it became so heated that Bajtay called Racz a communist, Racz called Bajtay a Bolshevik and announced that he would not participate in the work of an organization that was to serve the interests of the MDF. To the end he argued on behalf of a workers council that was independent of the government.

At last the three organizations became united; but by then there were only about 50 delegates, because the tasteless and unproductive debate prompted many participants to go home. A worker even announced that he is embarrassed to have leaders like this. All this did not bother the debating parties, because when it was time to elect a president, the debate practically became a fight. Insulted, Sandor Racz left the room: In his absence he was elected spokesman in the coming parliamentary negotiations, but he did not accept the position. The more moderate (and compromise-ready) Lajos Somlay became president, with the MDF's Bajtay as one of his vice presidents. In other words, the future will tell whether we saw the formation of a workers council alliance whose behavior will please the MDF, or that of a radical organization which will fight for the interests of workers. It is the latter that is really needed; after all, Churchill was right in saying that when one goes to negotiate, one ought to talk softly but take along one's club. We hope that our workers' leaders will also learn how to talk softly.

Property Agency: Place in Government, Accountability Defined
90CH0390A Budapest NEPSZABADSAG in Hungarian
19 Jul 90 pp 1, 3

[Report on parliamentary proceedings: "The Government Directs the State Property Agency"]

[Excerpt] [passage omitted] The parliament proceeded to vote on a government bill concerning the finality of the decision-making powers of the State Property Agency. Since the deputies appended many amendments to this bill, there

was lengthy and involved, one could even say, apparently chaotic, voting. Finally, the deputies approved the government bill according to which the Property Agency falls under the jurisdiction of the cabinet, while the prime minister appoints the members of the agency's executive board and director. And since this agency is to exercise proprietary rights over government property, there is no recourse to the courts to challenge its decisions. However, the Agency must give quarterly accounting of its activities to the appropriate parliamentary committees.

Arms Trade: Approval Committee Established
90CH0381B Budapest MAGYAR KOZLONY
in Hungarian 11 Jun 90 p 1215

[Decree No. 99/90 (11 Jun) of the Council of Ministers: "Amendment to Decree No. 21/1990 (2 Feb) of the Council of Ministers on the Export and Import of Military Equipment and Services"]

[Text]

Section 1.

Section 4 of Decree No. 21/1990 (2 Feb) of the Council of Ministers on the Export and Import of Military Equipment and Services is hereby replaced with the following provision:

"Section 4. The granting of contract permits will require the consent of a committee made up of the state secretaries for political affairs of the Ministry of Interior, Ministry of Defense, Ministry of International Economic Relations and the Ministry of Foreign Affairs.

The state secretary for political affairs authorized by the Prime Minister's Office will serve as the chairman of the Committee."

Section 2.

This decree will take effect on the day of its promulgation.

Signed: Dr. Jozsef Antall, prime minister

Land Law Amendments

90CH0381A Budapest MAGYAR KOZLONY in Hungarian
11 Jun 90 p 1214

[Law No. 38/1990; Amendments to Land Law No. 1/1987 and Law No. 3/1967 Concerning Producers Cooperatives*]

[Text]

Section 1.

Section 13 of Land Law No. 1/1987 (hereinafter: land law) is hereby amended by Paragraph (6) which reads as follows:

"(6) The provision contained in Paragraph (3) also applies to all real estate owned or used collectively by the

members of agricultural producers cooperatives, as well as to proprietary land share transfers and closed-end land leases."

Section 2.

Paragraph (2) of Section 28 of the land law is hereby replaced by the following provision:

"(2) The owners of lands (shares) taken into the cooperative may exchange their plots for land designated for this purpose by the cooperative up to the amount of the gold korona value of their land at the time it was brought in."

Section 3.

Paragraph (1) of Section 39/A of Law No. 3/1967 on the producers cooperatives (hereinafter: cooperatives law) is hereby replaced with the following provision:

"Producers cooperatives can use their holdings to compensate their members in accordance with the number of years worked."

Section 4.

Paragraph (2) of Section 129 of the cooperatives law is hereby replaced with the following provision:

"(2) It shall require a minimum of 15 members to leave a producers cooperative for the purpose of establishing a new producers cooperative or to merge with another."

Section 5.

This law will take effect on the day of its promulgation. The provisions of Sections 1-3 are also to be applied to cases in progress.

Signed: Arpad Goncz, provisional president of the Republic and Gyorgy Szabad, acting president of the National Assembly

Legislative Intent

To Section 1

In addition to hindering the sale of state-owned real estate, the settlement of property relations has also been hampered by legal transactions initiated sometimes unscrupulously by the cooperatives in transferring title to their real estate following the liberalization of land sales on 1 July 1989. In order to prevent further proprietary changes from occurring that might impede a satisfactory settlement, the system of controls currently in place for regulating the sale of state-owned real estate must also be applied to the sale of cooperative-owned real estate as well as to any proprietary land share transfers and closed-end land leases until the new land law takes effect.

To Section 2

This provision which allows individual members to request the return of all of the lands they had taken into

the cooperative in lieu of surrendering a proportionate share in the cooperative without their request being subject to restrictions specified in the bylaws, is aimed at promoting the settlement of land ownership and use relations within the cooperatives.

To Section 3

The conditions of handing out proprietary shares and free property titles within the producers cooperatives have heretofore only partially been regulated by the law. In the interest of protecting the collective property, it must be stipulated that the distribution of property shares—which cannot include handing out arable land—will be in accordance with the number of years spent working in the cooperative.

To Section 4

It follows from the cooperative concept of voluntarism that citizens who have the right to form a collective, made up of a minimum of 15 people as specified by the law, should be allowed to decide for themselves which cooperative they wish to belong to or quit, or whether or not they want to merge with another cooperative. Hence the provision requiring consensus on the part of a minimum of one third of the total membership of the cooperative in order to secede or to merge with another cooperative must be nullified.

To Section 5

The law will take effect on the day of its promulgation, but in order to prevent further unjustifiable distortions in our property relations the provisions pertaining to property transfers must also be applied to cases already in progress.

*The law was adopted at the 4 Jun 1990 session of parliament.

Rule: Registration of Foundations

90CH0381C Budapest MAGYAR KOZLONY
in Hungarian 13 Jun 90 p 1223

[Decree No. 12/1990 (23 Jun) of the Minister of Justice: "Rules of Procedure for the Registration of Foundations"]

[Text] By the authority vested in me in Article b)
Paragraph (1) Section 51 of Law No. 4/1972 concerning
the courts—and in agreement with the President of the
Supreme Court—I decree the following:

Section 1.

Foundations will be registered by the county courts of their seat or by the Capital City Court (hereinafter collectively referred to as the court) in accordance with the data and procedures specified in the Appendix.

POLITICAL**Section 2.**

The decision, which on the basis of Paragraph (4) Section 74/E of Law No. 4/1959 concerning the Civil Code is not subject to appeal, will be forwarded by the court to the Supreme Court.

Section 3.

In the case of matters not regulated by this decree the rules to be applied will be those specified in Decree No. 6/1989 (8 Jun) of the Minister of Justice concerning procedural regulations governing the registration of social organizations, with the exception of the provisions contained in Paragraph 2, Section 6 and in Section 7.

Section 4.

This decree will go into effect on the day of its promulgation.

Signed: Dr. Istvan Balsai, Minister of Justice

Supplement to Decree No. 12/1990 (13 Jun) of the Minister of Justice:

1. Data to be entered into the record:

Registration Number:

Docket Number:

Serial number:

Number and date of the ruling concerning the registration of the foundation:

Name of the foundation:

Seat of the foundation

Purpose of the foundation

Method of capital utilization

Name and address of the foundation's representative

Is it an open foundation?

Transfer/Termination

2. The numbering of cases in the registry must begin with one.

3. Each foundation must be recorded on separate sheets.

Rule: Registration of Churches

*90CH0381D Budapest MAGYAR KOZLONY
in Hungarian 13 Jun 90 pp 1222-1223*

[Decree No. 12/1990 (23 Jun) of the Minister of Justice:
"Rules of Procedure for the Registration of Churches"]

[Text] By the authority vested in me in Paragraph (3) Section 24 of Law No. 4/1990 (Conscience Law) concerning liberty of conscience and religion—and in agreement with the President of the Supreme Court—I decree the following:

Section 1.

(1) Churches, independent church organizations established for religious purposes and religious associations (hereinafter collectively referred to as the church) will be

registered by the county courts of their headquarters or by the Capital City Court (hereinafter collectively referred to as the court) in accordance with the data and procedures specified in Appendix 1.

(2) The church will be registered as a legal person by the competent court of its national seat and the legal standing of its organizational units will be governed by its bylaws [Paragraph (2), Section 13, Conscience Law].

(3) Upon completion of the registration, the court will send a notification of registration to the Supreme Court as specified in Appendix 2.

Section 2.

At its request, [Paragraph (1), Section 20, Conscience Law], or as ordered by a binding resolution [Paragraphs (2)-(3), Section 20, Conscience Law] the church must be removed from the registry by drawing a diagonal line across the earlier entries.

Section 3.

Organizations that had been legally recognized prior to the enactment of the Conscience Law as churches or registered religious orders will be entered into the Pk [extension unknown] docket and registered by the court in accordance with the provisions of this decree. The church will notify the designated representative of the religious order of this action in accordance with Appendix 3, as well as the Supreme Court as specified in Paragraph (3), Section 1.

Section 4.

In the case of matters not regulated by this decree the rules to be applied will be those specified in Decree No. 6/1989 (8 Jun) of the Minister of Justice concerning procedural regulations governing the registration of social organizations, with the exception of the provisions contained in Sections 6 and 7.

Section 5.

This decree will go into effect on the day of its promulgation.

Signed: Dr. Istvan Balsai, Minister of Justice

Appendix 1 to Decree No. 11/1990 (13 Jun) of the Minister of Justice:

1. Data to be entered into the record:

Registration Number:

Docket Number:

1. Serial number

2. Number and date of the ruling concerning the registration of the church

3. Name of the church

4. Seat of the church

5. Name of the church's representative

6. Address of the church's representative
7. Purpose and scope of activity of the organization
8. Transfer/Termination
9. Comments

2. The numbering of cases in the registry must begin with 1.
3. Each foundation must be recorded on a separate sheet.
4. Column 7 must be completed in the case of organizations or religious associations registered in accordance with Paragraph 3, Section 13 of the Conscience Law.
5. Column 9 is provided for entering the name and seat of the religious organizations specified under Paragraph 3, Section 13 of the Conscience Law.

Appendix 2 to Decree No. 11/1990 (13 Jun) of the Minister of Justice:

Notification of registration pertaining to churches, independent church organizations established for religious purposes and religious associations entered into the court registry.

1.0 Registration ordered by:

- 1.2. Court:
- 1.3. Rule number:
- 1.4. Date of ruling:
- 1.5. Registration number:

2.0 The church:

- 2.1. Name:
- 2.2. Seat, address:
- 2.3. Name and address of representative:

.....day of the month of.....19..

.....County (capital city) court judge

Appendix 3 to Decree No. 11/1990 (13 Jun) of the Minister of Justice:

.....County (Capital City) Court

Pk.(1990)

You are hereby notified that in accordance with Section 22 of Law No. 4/1990 on the freedom of conscience and religion and the church has been entered by the court into the court registry of churches and religious organizations under the registration number

Seat of the church (organization):

Representative(s)' name:

Representative(s)' address:

DATUM Extinct; Political Motives Claimed; New Newspapers Tallied

*25000785A Budapest TALLOZO in Hungarian
24 Aug 90 pp 1613-1614*

[Interview adapted from VILAG 16 Aug 90, page not given, with DATUM editor in chief Ivan Baba by Szatmari Peter; place and date not given: "DATUM-Fatum"—first paragraph is VILAG introduction]

[Excerpts] Newspapers come and go. The newly born independent newspapers appear to be in a position of dependence in the midst of old and new laws. [passage omitted]

[Peter] And what happened to the money?

[Baba] Athenaeum Press swallowed the 13 million forints, it accounted for it, it provided a quasi [accounting] of having performed work for it. But to this date it has not provided a real, decent accounting. The matter could be settled only in court, but this is not our intention. What remains is a lesson learned. Athenaeum abused its monopolistic situation.

[Peter] Could this have taken place for political reasons?

[Baba] DATUM was intended to be an independent political newspaper. Last may the pressure exercised by the communist structure was quite strong, particularly in the countryside. This newspaper was definitely of a centrist-liberal orientation, i.e., strongly anticommunist. Surely, one still finds interest groups at the postal service and in printing presses—particularly at Szikra—which grew out of the party state. Put mildly: It was not in their interest to see DATUM succeed. [passage omitted]

**Number of Hungarian Newspapers Started
Since the Press Law Went Into Effect
(22 April 1986-15 April 1990)**

Political newspapers	205
Cultural newspapers	120
Youth newspapers	61
Newspapers published by trade unions, associations, professional organizations	133
Newspapers published by churches	26
Sex newspapers	32
University newspapers	13
Sports newspapers	15
City, council area newspapers	104
Other publications (fashion, advertisement, novels, puzzles)	267
Newspapers by the same publisher	
Axel Springer	8 (county newspapers)
Robert Szucs	5 (science fiction, sex)
Antal Laszlo Voros	3 (sex)
International World Line Limited	13 (sex)

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**Number of Hungarian Newspapers Started
Since the Press Law Went Into Effect
(22 April 1986-15 April 1990)
(Continued)**

Type of Publication	Publication
Daily newspapers	SZOLNOK MEGYEI NEPLAP, DOLGOZOK LAPJA, NEPUJSAG, NOGRAD, DUNANTULI NAPLO
Political weeklies	DN-PANORAMA, RACKEVEI UJSAG, NEPFRONT
Cultural newspapers	HONISMERET, OLVASO NEP
Youth newspapers	MEGIS, MARCZIUS, DISCO MAGAZIN
Professional newspapers	POSTA, TAKAREK-PENZTARI SZEMLE, TERULETI STATISZTIKA, SIKER, JOGPOLITIKA

There are also 45 plant, enterprise and producer cooperative publications

**Damage Awards, Indemnification: Various Groups
Claim Large Amounts**

On Behalf of Prisoners of War

25000784A Budapest TALLOZO in Hungarian
24 Aug 90 p 1588

[“Excerpts” from article published in ESTI HIRLAP 15 Aug 90, page not given: “Our Debts”—first paragraph is TALLOZO introduction]

[Text] The number of persons aggrieved as a result of imprisonment, vilification, or other forms of sufferings during the past four and a half decades may be estimated in the several hundreds of thousands. They are entitled to damage awards, indemnification.

“(...) As reported, Jozsef Cseh would claim indemnification payments amounting to between 8,000 and 12,000 forints on behalf of former prisoners of war, for each month they spent in Soviet captivity. (...)

“Our side of the scale is weighed down by the history of the past 45 years, by the 45 years of Soviet military presence and all the direct or indirect consequences suffered as a result of this presence. [This includes] the hundreds of thousands of persons vilified during the 1950's, the persons executed, the victims of 1956, and the people who became crippled morally or spiritually during the past decades—and we could go on with this sad list. Who is going to pay for

these damages, I wonder? Is it at all possible to pay for all this? In principle it is. But it does not make much practical sense. And this is not because no monetary value can be placed on the worth of human life. We know that no amount of money could indemnify those who suffered through these years. (...)"

Indemnification Office

25000784B Budapest TALLOZO in Hungarian
24 Aug 90 pp 1588-1589

[“Excerpts” from an unattributed interview with Indemnification Office Deputy Chairman designate Sandor Tutos, published in ESTI HIRLAP 16 Aug 90, page not given; place and date not given: “In Three Stages”—first paragraph is ESTI HIRLAP introduction]

[Text] “[...] At its 19 July meeting the cabinet decided to establish an Indemnification Office. The institution will begin functioning on 1 September. The position of chairman has not been filled, but the deputy chairman has been appointed in the person of Sandor Tutos. He joined the Ministry of the Interior last year. (...)"

[ESTI HIRLAP] Would it be easier to do justice if the office were nonpartisan?"

[Tutos] You obviously must have heard of arguments trying to qualify certain fears as particularly grave [as published]. On the other hand, I insist that damages should be based on the principle of equality, because from our standpoint it makes no difference if a person was imprisoned in Hungary or in the Soviet Union. We would violate human dignity if we were to make such distinctions.

[ESTI HIRLAP] Don't you think that indemnification may drag on for a long time to come?

[Tutos] Yes, most certainly that will be the case. In Greece, for example, indemnification began in 1974, immediately after the government changed, and it still continues. We also began our work: As a first step we are issuing official certificates which entitle holders of these certificates to a 500 forints per month pension increase. Beginning this fall we are considering higher increases. Depending on the number of years spent in prison, pension payments may increase by as much as 2,000 forints. This is the second step. The third: cash damage awards. Surely, this may drag on for years. In any event we would like to complete this matter within five years. (...)"

Association of Persons Ransacked

25000784C Budapest TALLOZO in Hungarian
24 Aug 90 p 1589

[“Excerpts” from article published in MAGYAR NEMZET 16 Aug 90, page not given: “Three Million Persons Must Be Indemnified”]

[Text] “[...] A new political organization was established in Szombathely, in the premises of the former youth

building. Its name is the 'Association of Persons Ransacked.' The Smallholders Party [Independent Smallholders, Agricultural Workers and Citizens Party—FKgP] leaders and activists urged that the organization be established. Incidentally, a similar club is operating already in the Capital.

"During the past 40 years of autocracy three million persons suffered financial or moral loss, therefore the interests of this huge group must be represented effectively, according to FKgP Vas County chairman Bela Nemeth. All those whose property was illegally taken away must be indemnified. (...)"

Terrifying Billions

25000784D Budapest TALLOZO in Hungarian
24 Aug 90 p 1589

[“Excerpts” from article published on MAGYAR HIRLAP 16 Aug 90, page not given: “Indemnification”]

[Text] “(...) At present this country is burdened by a state indebtedness amounting to 1,300 billion forints. The magnitude of this amount is incomprehensible. All kinds of privatization concepts were developed to reduce this amount. Part of the funds realized by selling state property would be used for this purpose. And then, here we have this indemnification. Recently experts have predicted at least 200,000 such cases, and are scaring us with an amount of between 400 billion and 500 billion forints. This would not have to be paid out in cash, only in the form of securities backed by state property. Except for the fact that the state will not materialize revenues from these securities.... This part of the state property will be distributed free of charge by the state, to a few. What funds will they use to reduce the huge state indebtedness?!"

“The past may drag us down. But only if we do not try to close down the past and transcend it once and for all. (...)"

Dollar Vouchers With Question Marks

25000784E Budapest TALLOZO in Hungarian
24 Aug 90 p 1589

[“Excerpts” from article published in MAGYAR HIRLAP 17 Aug 90, page not given: “Is It Possible To Pay Off Former Prisoners of War?”]

[Text] “(...) As we learned yesterday, the Constitutional Court expects the cabinet to take a firm position concerning today's view of the nationalization [of private property] and in particular of the details of symbolic indemnification.

“The cabinet concept on indemnification now being worked on by experts may influence decisions of the Constitutional Court regarding a few issues it is dealing with at present. These issues include, for example, cases related to the nationalization of homes and apartments in the 1950's, and the case of vouchers that were given to

prisoners of war. These are dollar vouchers, and were given by American authorities to Hungarian soldiers captured during World War II in recognition of work performed. According to applicable provisions of the peace treaty, the amount of these vouchers were to be paid by the Hungarian government to the prisoners of war. But the vouchers were confiscated, based on a decision of the former government. They are preserved in the form of a deposits by the Monetary Institute [‘Penzintezeti Kozpont’] even today.

“Based on a citizen's report, and at the initiative of the executive secretary of the former Patriotic People's Front [PPF], the Constitutional Court is examining whether the government's decision to confiscate these funds violated the Constitution, and if so, whether the amount of the vouchers should be paid?

“New justices joined the court, and a decision has been postponed once again. At present, the intentions of the cabinet concerning indemnification made public shed new light on this matter. (...)"

POLAND

Law on Political Parties

90EP0829A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 13 Aug 90 p 4

[Law No. 312 governing political parties, dated 28 Jul 90; also published in Warsaw DZIENNIK USTAW No. 54, 17 Aug 90, Item 312 pp.762-763]

[Text] Below we publish the complete text of the Law on Political Parties, which will be made official most likely in the August 11 issue of DZIENNIK USTAW, No. 54, on which date it will also start taking effect. Once we are certain of the date and issue number, we shall immediately inform our readers.

* * *

Article 1. A political party is a social organization acting under a specific name with the aim of participating in public life by, in particular, influencing the shaping of state policies and the exercise of political power.

Article 2.1. Members of political parties may be citizens of the Polish Republic who have completed 18 years of age.

2.2. A political party may not maintain branches at workplaces or in the armed forces.

Article 3. The name and symbols of the political party, as reported by the procedure referred to in Article 4, are entitled to the legal protection available for personal rights.

Article 4.1. A political party acquires legal entity once it is entered in the registry of the Warsaw Voivodship Court.

4.2. The entry should contain the name and address of the party as well as information on the manner in which the legal representation of the party is designated. It may also contain a sample logo(s) of the party.

4.3. The entry should also include the names, surnames, addresses, and signatures of at least 15 persons who are fully capable of legal action, of whom three personally submit the entry and accept responsibility for the data it contains.

4.4. The Court's official receipt of the entry is proof of the acquisition of legal entity.

4.5. The political party should submit for registration the names, surnames, and addresses of the persons constituting the legal representation referred to in Paragraph 2.

4.6. The registration of the political party is public. Anyone has the right to obtain certified copies of and excerpts from the entry.

Article 5.1. If the Constitutional Tribunal rules, upon a submission from the Warsaw Voivodship Court or upon the recommendation of the minister of justice, that the aims or activities of a political party conflict with the Constitution of the Polish Republic, it may recommend that the party's statute or program be suitably amended within a specified time limit.

5.2. If the activities of a political party are intended to change by force the constitutional system of the Polish Republic or are reflected in the application of organized violence to public life by the party's leadership, the minister of justice requests the Constitutional Tribunal to ban the party's activities.

5.3. The legal validity of the Constitutional Tribunal's ruling to ban the activities of a political party causes its deletion from the registry.

5.4. In the event that a political party is deleted from the registry referred to in Article 4, Paragraph 1, or banned, and also as a result of dissolution of the party, the party is subject to liquidation. The liquidation proceedings are correspondingly governed by the provisions of Chapter 5 of the Decree of 7 April 1989—Law on Associations (Dz.U., No. 20, Item 104, 1989; and No. 14, Item 86, 1990).

Article 6.1. The assets of a political party serving to accomplish its goals may derive from membership dues, donations, bequests, legacies, income from property, and income from economic activity as well as from public contributions.

6.2. The party may engage in economic activity solely in the form of cooperatives and shares in cooperatives.

6.3. Political parties may not benefit from any material or financial support of foreigners as construed by the foreign exchange law and legal entities with exclusive participation of foreign entities.

6.4. Any income derived by violating the prohibition referred to in Paragraph 3 is subject in its entirety to forfeiture to the State Treasury.

6.5. The rules for funding political parties from public sources are governed by electoral law.

6.6. The taxation of political parties is governed by separate regulations.

6.7. A political party's income from economic activity is exempt from the income tax to the extent to which it is allocated for the purposes specified in the party's statute.

6.8. The funding sources of political parties are made public.

Article 7. Political parties are safeguarded the right of access to state radio and television on principles defined in separate regulations.

Article 8. This Decree takes effect on the day of its publication.

Parties Under Alliance for Democracy Umbrella Meet

*90EP0830A Krakow GAZETA KRAKOWSKA in Polish
8 Aug 90 pp 1-2*

[Article by Plk. Lan. reporting on 7 Aug 90 meeting in Krakow: "Those Jointly Responsible; Krakow Follow Up Meeting of the Alliance for Democracy"]

[Text] At the invitation of Jerzy Turowicz, a meeting took place in Krakow yesterday of various political circles including ROAD, the Forum for the Democratic Right, and some members of Parliament. The political situation in Poland and the possible development of events in the coming months were discussed. The possibility was considered of cooperation and formation of an Alliance for Democracy. A decision was made to continue the Krakow meetings of various political groups.

After the meeting, at an improvised press conference, reporters from GAZETA KRAKOWSKA (with only representatives of our paper, radio, and television present) had the opportunity to ask the meeting participants several questions.

Jan Rokita, whom we asked whether the meeting is an answer to the political scenario proposed by Center Accord or an attempt to establish their own version of a scenario, denied this. The Krakow deputy had this to say about the meeting:

"The Alliance for Democracy will be instituted and those groups will meet for the purpose of determining practice. A workers group has been formed that is working on the particulars of political actions that we should undertake in the next months. During the meeting, it was emphasized that there must be a fundamental consensus among the groups coming out of

Solidarity so that the political struggle would not deteriorate. It was decided most unanimously to support a constitutional correction on general presidential elections and to support the idea of earlier parliamentary and presidential elections.

"There was much discussion of the presidential elections as to whether they should occur in the fall or the spring. The Alliance will reach an agreement on its position shortly. The meeting itself was of the nature of a consultation since the people gathered had no formal mandates from their organizations.

"Determined were:

- "A so-called political calendar.
- "Basic structural solutions in our Constitution.
- "The position in the matter of ending the parliamentary term and the new Constitution.

"These matters will be the subject of a Sejm debate on 21 August.

"I say with satisfaction that our positions in these matters are very close. A public announcement will be made after all the groups have received the documents accumulated by the Alliance."

The immediate political future? This GAZETA KRAKOWSKA question was answered by Zbigniew Bujak.

"I have one concern which I associated with the fact that I was maturing as a union and worker activist. My knowledge and observations indicate that in all countries, economic reforms and political reforms are accomplished with great economic difficulties to which, as a rule, labor organizations do not accede. This is due to a significant drop in living standards and for this reason, these reforms usually are carried out with a struggle with labor organizations. This may also happen in Poland. And certainly, we had the opportunity to avoid it. Everyone believed that because of Solidarity, we would avoid this struggle. Recent months and weeks show that this chance is rapidly diminishing. I am afraid that things will get worse. The formation of ROAD is an attempt to find and propose a policy that would explain to the labor and peasant organizations how they should behave toward these reforms. It is proposed that they take the road to social advancement. The development of civilization means a decrease in numbers in labor and peasant groups. These groups must devise and create means of advancement and new labor positions. This is the policy, the pioneering road that ROAD is seeking. It is a road of great risk, but also of great opportunity. Recent weeks indicate that the risk is increasing. Is opportunity decreasing?"

Wladyslaw Frasyniuk (ROAD): "At this meeting, we did not prepare any scenario of events or movements from our side against Center Accord because this was not the purpose of our follow up meeting. We met in a smaller group than before in order to discuss at which stage of mutual endeavors the Alliance for Democracy, which we

have formed, finds itself. We met, therefore, as ROAD with the Forum for the Democratic Right and the Labor Solidarity group organized by Deputy Bugaj. I must say that I am satisfied with the meeting, but at the same time, I am not satisfied with the way the government was treated, which I would have defended before the ever more frequent and ever sharper attacks from both the left and the right. The information policy is also responsible for this; it does not adequately explain to the interested groups in society what is actually the basis for our economic and management problems."

Tomasz Wolek (Forum for the Democratic Right): "Our follow up meeting arose in response to the need for joint responsibility for Poland. We are deeply concerned about the evolution of the situation, we want to share the dilemmas that trouble certain trends that have developed as a result of internal divisions in Solidarity. In the Alliance we established we do not yet have ready recipes for the future; meetings such as these serve for formulating plans within the framework of the Alliance for Democracy that is being created.

"It is too early to say anything about our candidates for the presidency of the Polish Republic. Many names were mentioned, but all of this is still at the discussion stage."

Ryszard Bugaj (initiator of the Labor Solidarity formation): "I have responded to the invitation because I feel a relatively great bond with the thinking and position of colleagues from Solidarity who came here, and, of course, on the basis of that movement, many groups are now arising. Also, the idea for Labor Solidarity, of which I am cofounder, was born during the Solidarity Congress. We identify ourselves with a certain value system that in the economic and social processes now occurring does not forget about people who are wage earners. It is necessary to protect the interests of this group if for nothing else than for economic and political balance in our political scene which is still and always developing."

POLITYKA Weekly News Roundup

90EP0821A Warsaw POLITYKA in Polish No 31,
4 Aug 89 p 2

[Excerpts]

National News

The presidency affair. The signatories of the Center Accord are collecting signatures to a petition demanding the resignation of President W. Jaruzelski. The petition says in part: "While esteeming the role, you have played, Mr. President, since the election, we call on you to show understanding for the historical demands of the new times and to decide to resign from your office." Andrzej Wielowieyski, deputy marshal of the Senate and a founder of ROAD [Citizens Movement—Democratic Action], also commented on the situation on the television program "Interpellations": "The Center Accord proposes the president be elected by the current National Assembly. In my opinion, the presidential elections

should be general and be held prior to the parliamentary one." Meanwhile, Wojciech Jaruzelski, during a visit to Tarnow Voivodship told journalists that he is not considering resigning from his office at present because he assumes, as do many of those commenting on the situation, that the most important issues for the good of the country are the development of political forces capable of conducting democratic campaigns and preparations for conducting democratic elections. These forces are just now being formed; they are forming and have not yet announced their programs. Time is necessary for their elaboration. At present, the most important matters are the effective implementation of the economic reforms, including getting the country out of its crisis, efficient privatization, and creating an economic state model, and the development of a model for managing the state—in particular of the presidency, the place and position of the president in the state authority structure. The president sent a letter to the Sejm marshal in which he proposes that the September parliamentary debate produce an appropriate agreement for legislative work by the political forces.

The All-Polish Conference of Christian Democrats has supported Lech Walesa's candidacy for president of the Republic of Poland.

Of the 219 members of the Citizens Committee under the chairman of NSZZ [Independent Self-Governing Trade Union] Solidarity, 71 attended the meeting on 29 July 1990. They discussed the committee's form of activity. Lech Walesa called for maintaining the committee during the period of great reforms and dangers, when parliament, the president, and government have not yet been elected in a completely democratic manner. Those present adopted a resolution proposed by Jacek Maziarski. In it, they protest against the use of anti-Semitism to discredit political opponents and also condemn the occasional acts of anti-Semitism.

More than 4,000 individuals signed a program declaration for the Citizens Movement—Democratic Action (ROAD). The group includes more than 40 individuals. The organization of the Political Council of the movement, whose task is, among other things, to react quickly to political events was assigned to Adam Michnik. [passage omitted]

From the press conference of the government spokesperson M. Niezabitowska. The number of the employees of the state administration has declined recently by one-third; since the middle of October 1989, 33 voivods have been replaced. In response to a question whether Gabriel Janowski, the head of Rural Solidarity, is to become minister of agriculture, Ms. Niezabitowska gave an evasive response: "I cannot say anything on that subject. Talks are continuing." Asked about the evaluation of role of the brother of the minister of the domestic trade, A. Mackiewicz, who is participating in a West German company involved in retailing in Slask, she answered: "There is nothing wrong with it, if everything is done in accord with the law."

In the Sejm, Deputy Stefan Niesiolowski of the Citizens Parliamentary Club (OKP) called for the removal of the chairman of the commission liquidating the Prasa-Ksiazka-Ruch Workers' Publishing Cooperative, Dr. Jerzy Drygalski, who was one of the founders of the Edytor partnership in Lodz, which is in the publishing business, which is supposed to undermine his disinterestedness. J. Drygalski, however, immediately resigned from the partnership after being named to the position of liquidator, and behind the initiative of the Lodz deputy lie conflicts between groups within the local Solidarity organization. [passage omitted]

The Katowice authorities have received an application from the heirs of Kazimierz Arkuszewski, the last owner of the mansion in Pilica, for the return of the property. They have said they will pursue their claims in the courts. The problem is further complicated by the fact that the mansion was purchased by Barbara Piasecka-Johnson, who is renovating it for use as a residence and museum.

In 1990, 100,000 residents of Silesia will receive gas masks, and another 300,000 [residents will receive them] in the future. The initiative of the Inspectorate for Civil Defense is to protect against accidents in plants producing toxic substances.

The press has published the membership of the program and organizational groups formed recently by the Movement of Working People (RLP). The program group includes, among others, Konrad Bajan, an economist; Jerzy Grzymkowski, a writer; Boleslaw Jaszcuk, an economist, former secretary of the PZPR Central Committee, and deputy premier; Ignacy Krasicki, a journalist; Bozena Krzywoblocka, a journalist; Jaroslaw Ladosz, a philosopher; Jerzy Majka, a journalist and former editor in chief of TRYBUNA LUDU; Zdzislaw Marzec, a journalist and former deputy head of the press section of the PZPR Central Committee; Norbert Michta, an historian; Mieczyslaw Mieszczański, an economist; Edward Osobka-Morawski, the first postwar premier; Jan Rychlewski, a physicist; Bronislaw and Eleonora Syzdek, historians; Jacek Tittenbrun, a philosopher; Andrzej Wasilewski, an editor, journalist, and former secretary of the PZPR Central Committee; and Leszek Wysznacki, a journalist and former editor in chief of the weekly STOLICA. The organizational group includes, among others, Krystyna Dabrowa, former PZPR voivodship first secretary in Krakow, and Ryszard Lukasiewicz, a journalist and former editor in chief of EXPRESS WIECZORNY.

At an improvised press conference, AFP reported, Lech Walesa said: "Individuals of Jewish descent should not hide that fact. I want these issues to be open so that anti-Semitic slogans not appear on the walls. Jews are great patriots; they have done much for culture, but when they hide their Jewishness, they create anti-Semitic reactions."

The current main officers of the Christian Democratic Labor Party (SP) are president of the Main Board, Wl. Sila-Nowicki; deputy presidents A. Owsinski and A. Siemianowski; secretary general St. Gephhardt; deputy secretary general M. Nowicka-Maruszczak; treasurer M. Sadren; and chairman of the Main Council K. Switon. The board named A. Micewski press spokesman. The previous deputy presidents Prof. R. Bender and J. Zablocki, a journalist, were not among the main officers elected. [passage omitted]

Opinions

[passage omitted]

Stefan Niesiolowski, Sejm deputy:

(LAD 29 JULY 1990)

"If Poland is finally to be governed by the right, if the leftist monopoly is to be broken—then it is essential to build a strong, united Christian party, because just as Poles overcame communism on the basis of Christian and national values and gave the world an example of 'how to go after communism'—as Stefan Wyszyński foresaw in 1957, who also added that for Poland to overcome communism it must christianize itself—so on the basis of these same values Poles can build a democratic system."

Jacek Maziarski, journalist:

(TYGODNIK SOLIDARNOSC 27 July 1990)

"In open electoral competition the Citizens Movement—Democratic Action (ROAD) has a very slight chance and I would not be surprised if it lost even to the Polish Peasant Party (PSL) and to the Christian National Union (ZChN). The romantic legend of the Worker Defense Committee (KOR) is not equal to the two basic problems with which the leaders of the new group will have to struggle. The first problem is their complete

helplessness in terms of a program—their call for a general support for 'the philosophy of Tadeusz Mazowiecki' which can soon become a burden rather than a trump. The second problem for ROAD is their lack of a definite social base. The citizens committees are rather inclined to Walesa, with whom ROAD inopportunistically took up battle. The farmers and the industrial workers look with mistrust on the leftist intellectuals, who are reminded (quite correctly!) of their various flirtations with the communists. The support of the intellectual communities in the university cities is decidedly too little to win elections."

[passage omitted]

Kazimierz Woycicki, journalist:

(During a discussion "The Church in the Post-Totalitarian Epoch," WIEZ No 5-6, 1990)

"From what I know, the Church can be a threat to democracy. I do not say this about the Church in the deepest theological sense, but of the institution. It can happen that a sufficient number of people who were in the Church before now will turn away from it because they will see the institution in the form of the parish priest or bishop who simply is a threat for democracy, a threat to human rights, to freedoms. My great hope is that the Church will be a fundamental element of the whole emancipation movement, a movement toward freedom, toward finding values in man. That is the great opportunity for the Church and in this sense an historically new opportunity for the Church to participate in some measure in a revolutionary process, but only an opportunity.

"As we see now, there is here a very serious threat. Unfortunately, in the Polish Church we seem not to see forces which understand this situation, quite the contrary: people are turning away; practice is declining; thus, the fortress complex, the retreat to defensive positions, is growing."

INTRABLOC**IMF Chief on East European Economic Changes**

*90CH0387A Budapest FIGYELO in Hungarian
5 Jul 90 p 4*

[Interview with IMF [International Monetary Fund] Director of External Relations Azizali F. Mohammed by Andrea Gallai; place and date not given: "It Would Be a Shame To Depreciate the Country"]

[Text] [Gallai] Although the IMF [International Monetary Fund] unquestionably has extensive experience with debtor countries as well as developing countries, your organization is now obliged to proffer advice in a situation where, because of the specific East European economic-political system, even the IMF has no experience.

[Mohammed] Indeed, the great changes in East Europe represent a situation which has no precedent in our history so far. We know, however, where these countries started from, namely, from socialism, and we know where they want to move, namely, toward a market economy. We have a lot of experience with the latter but shall have to use our imagination regarding the transition stage. I would like to single out three things which, in my opinion, should be watched closely during the process. The first is the starting point of the process, that is, that the elements [of a market economy] cannot function by themselves. It is thus impossible to identify from among the significant criteria pertaining to a market economy some of the important ones, to implement these, and then to believe that this in itself is already a market economy and that it will also be effective. The second important lesson is that it is not sufficient to initiate comprehensive reforms. Such reforms must also be implemented with appropriate speed and resolve, for exaggerated gradualism may be harmful. The third point is that in the face of the radical changes it is desirable under all circumstances that the country's economy be in balance. This is an essential condition, needed if the country is to be integrated into the world economy. For this purpose, among other things, East European price levels should be close to world market prices. Naturally, this entails inflation. It is crucial, however, that price hikes should occur only once and not lead to an inflationary trend. In the East European countries it is not merely the economies, but also the political systems that are being changed, and together with this the societies are also evolving in their beliefs and culture. Altogether, these changes create a special situation.

[Gallai] Does the IMF consider East Europe as a unit, or do you, for instance, view the Soviet Union as a special case?

[Mohammed] In my opinion, the Soviet Union should be considered separately, if for no other reason than that the centrally planned economy has a 70-year tradition there. Seventy years represent three generations! In the other East European countries 40 years elapsed, and one

or two generations have been exposed to the centrally planned system. Another difference is that compared to the Soviet Union, the other East European countries represent much smaller economies. That is why up to now and especially from now on East Europe needs strong links with the outside world. The Soviet Union has a continent-sized economy in which, in addition to intellectual isolation, economic isolation in the last analysis could become a reality. A basic difference is that in the Soviet Union the political reforms realized so far are less spectacular than in the Central-East European countries.

[Gallai] A large infusion of money is necessary for the various and simultaneous changes that are occurring, as for all such processes. One of the ways to secure these funds is for the income derived from production to remain in the country. For instance, starting from this premise, Chancellor Helmut Kohl of West Germany decided to grant a five-year moratorium on debt interest payments for the East European countries involved in changing their system. Does the IMF consider such a concession acceptable?

[Mohammed] In my opinion it would be a mistake if Hungary, for example, were to request such a concession. Your country still has a creditable reputation. It would be a shame to depreciate the country; it would be a great error to do so. Regarding the funds currently needed for the changes, in my opinion their basis should be the more effective exploitation of domestic resources. The latter conceal tremendous money-generating potential. Such measures as market orientation, the liberalization of foreign trade, and the freeing of prices reduce losses in an economic system and represent potential economic growth.

CZECHOSLOVAKIA**Changes in Agriculture Viewed by Forum**

*90CH0351D Prague ZEMEDELSKE NOVINY in Czech
26 Jul 90 p 5*

[Interview with Frantisek Fejfar, doctor of veterinary medicine, by Dana Kalousova; place and date not given: "Where To Steer the Helm of Our Agriculture?"—first paragraph is ZEMEDELSKE NOVINY introduction]

[Text] At this time one cannot say that the surface of our agricultural production is calm. Some people are waiting for things to come, the brave souls have already found their orientation, and all private farmers are demanding their rights.

[Kalousova] It should be noted that there were changes in the commission of the agricultural sector at the coordinating center of the Civic Forum. On 30 June Eng. Miroslav Tyl left and the management appointed a team composed of Frantisek Fejfar, Doctor of Veterinary Medicine, Eng. Vaclav Humpal, Veroslav Slama, and Eng. Miloslav Sabata, to restore the program of the

agricultural commission. For that reason we asked the chief coordinator of that commission, Frantisek Fejfar, Doctor of Veterinary Medicine, how they intend to calm the troubled waters and what their future objectives are.

[Fejfar] First, we must contact managers of agricultural sectors in individual districts and with their cooperation set up a commission that should be composed, in my view, of about 10 persons who will chair special sectors. The movement must follow the vertical structure in individual districts. Thus far, such sectors have been established in 54 districts and more are being organized. According to an agreement with the minister of agriculture, Bohumil Kubat, this structure should actively cooperate in the restructuring of our agriculture in the direction of a market economy. The agricultural commission must have the mandate of a vertical structure, otherwise we could not comply with the principle of democratic postulates. In the Civic Forum we insist on freedom of expression. On the basis of our current needs and by request of some Civic Forum organizations (in the town of Melnik) we convoked a national conference of agricultural experts active in the Civic Forum to meet in Prague on 28 July.

[Kalousova] What will be on the agenda of the conference?

[Fejfar] It will discuss several points, one of the most important of which is the current spread of political forces in the countryside and the situation of the Civic Forum movement in individual districts. Furthermore, the agenda includes proposals for programs of the leadership of Civic Forum and for tasks of the commission for agriculture, forestry, and countryside at the regional center of the Civic Forum in Prague.

[Kalousova] We spoke of the vertical structure of the agricultural commission at the Civic Forum. Could you give us some more specific explanation of its horizontal activities?

[Fejfar] The agricultural commission should become a lively environment where the agricultural deputies of the Civic Forum from both chambers of the Federal Assembly and from the Czech National Council will meet with specialists in this field. Those deputies have little contact one with another and so they welcome this opportunity. Moreover, the agricultural commission may utilize the specialists and experts involved in the activity of specialized sectors, for example, agricultural, zoological, ecological, legislative... It is important to be in contact with appropriate ministries when appointing work teams (ad hoc) to deal with urgent tasks of reforms in the agro-food complex (APK).

[Kalousova] Let us go straight to the heart of the matter. In our editorial offices we are receiving quite a few inquiries concerning privatization. Could you tell me something more about it? How does the agricultural sector of the Civic Forum see it?

[Fejfar] The basic precondition for the transition to a market economy is denationalization; here we should combine six types of processes:

1. Enterprises beneficial to the public (with state participation)
2. Joint-stock companies
3. Holding companies
4. Sales or leases to physical or legal entities
5. Private enterprises, including those with foreign partnership
6. Liquidation of enterprises and operations without good prospects for the future

In the first stage we must divide enterprises into four groups:

- a) enterprises beneficial to public,
- b) enterprises suitable for privatization,
- c) enterprises which may be turned over to private owners at a later date,
- d) enterprises unsuitable for privatization because it will be returned (whole or in part) to its original owner in the process of reprivatization.

The basic premise for the economic reform is the restoration of the principles of a legal state. Security of citizens' ownership must be guaranteed by corresponding laws which will be comprehensible and which permit only one interpretation. It is not enough to amend them; see Law No. 123 of the Collection of Laws 75, which more or less gives preference to the user's right over the right of ownership.

[Kalousova] What exactly do you mean by that?

[Fejfar] The whole concept of legislature must be changed. Its basic proposal must be the civil code, and laws of the ministries must proceed from the rights of ownership as stipulated in the code. Furthermore, such laws cannot permit contradictory interpretations. A legal state must objectively protect the citizen as a legal subject. We must take a number of legislative steps and emphasize the principle that the past system acted in contradiction to the law; the first steps of the new system must not add to the wrongs committed in the past in our countryside.

[Kalousova] How, then, should we proceed?

[Fejfar] The process of privatization calls for the greatest acceleration possible. In the first stage our aim is to ascertain the actual extent of claims made by owners and only then shall we determine the method for their settlement. In no instance can we avoid reprivatization which cannot follow immediately the legal settlement; it is absolutely necessary to identify the legal claim and to specify the method of its settlement.

At present, the schedule of operations for the commission of the ministries and of the republics, including the implementation of the whole package of orders for denationalization, is very tight. We must proceed step by step.

First, cases posing no problem should be settled; in the next stage fundamental changes must be simultaneously introduced in the pricing system, and then in the system of accumulation, distribution, and use of profits, in the system of taxes on profits of organizations and personal incomes, in relations of legal ownership of property to land and their objective assessment according to the way they are used.

The basic legislative task in the implementation of the economic reform in the APK is the enactment of the law on land, which will include relations of ownership to its use and also to its protection. To implement this law, the Land Fund of the Czech Republic and of the Slovak Republic, which will be subject to the authority of national councils, will also be established by law within two months. At the same time, land registers of the Czech Republic and of the Slovak Republic must be organized as an administrative technical agency.

Furthermore, it is anticipated that substitute instructions for expropriation of land will be issued in the framework of the review of the reform and of the second land reform, and moreover, an amendment of the law of the Czech and Slovak National Councils on the state fund for land reclamation will be published.

On 31 August the draft on interrelation of the real estate register with the system of information on soil quality should be completed.

Last but not least, an early closing of territorial departments of the Ministry of Agriculture and Food in the Czech Republic is under consideration.

[Kalousova] In one conversation we cannot span the broad spectrum of programs of the agricultural commission at the Civic Forum. We have scarcely touched on the most salient points. What do you wish to say in conclusion?

[Fejfar] The existing state and cooperative enterprises of the APK must expeditiously undergo the process of denationalization and privatization. The totalitarian regime had de facto nationalized agricultural cooperatives; the directives for their management are similar to those for state enterprises. The precondition for the resumption of their function as independent participants in the market calls first of all for state interventions in their operations to be restricted to a legally stipulated minimum. It is important to allow entrepreneurship freedom even outside the sphere of agricultural production. In this respect it is expected that cooperatives will take a significant part in the process of privatization of state enterprises, especially in food-processing industry. By the same token, members of cooperatives must be transformed from actual state employees into genuine

members of cooperatives and share in both the profits and the risks of their ventures.

Another aspect of the same process will be the removal of barriers between cooperative and individual entrepreneurship, be it by the form of economic lease of part of the cooperative property to small groups or individuals, or on the contrary, guaranteed sales of the products of individual entrepreneurs (farmers and other occupations) by mediation of the cooperative. At the same time, this will eliminate the predominantly production character of agricultural cooperatives which will more than ever before appear as comprehensive economic units.

And one more final note: The proposal for the implementation of the agricultural program of the Civic Forum proceeds from our conviction that we may achieve economic, and thus, also social success only if ten million free, diligent and therefore, decent individuals will work and live here, in the Czech Republic.

Pricing Liberalization Impacts Discussed

Differences Viewed

*90CH0358F Prague HOSPODARSKE NOVINY in Czech
1 Aug 90 p 3*

[Article by Eng. Slavoj Czesanny, Dr.Sc., Central Institute of Economic Research, Prague: "Different Consequences of Liberalization"—first paragraph is HOSPODARSKE NOVINY introduction]

[Text] The CSFR Government at its May meeting approved a timetable for carrying forward economic reform. The author considers aspects of the goal which on that occasion was formulated by the Federal Government as the need for a radical solution to the price problem. His thoughts concern the adequacy of integrating the measures, ranking them in succession, and the optimum tempo of the reform steps. The effort here is to understand the web of relationships and linkages which will be exposed to changes in the new conditions.

It goes without saying that the pivotal role within the scope of an economic reform aiming for a market-oriented economy will be played by liberalization processes. Of key significance here is resolving questions of the extent and speed in liberalizing prices and imports. Hence it may serve a good purpose to attempt an outline analysis of economic interconnections involved in these processes, including analysis of certain alternatives which may be considered.

In viewing the successive steps in liberalizing price formation and expanding import opportunities attention is focused in part on the effects on producers and the production sphere, and in part on the area of consequences for the consumer, that is, the public. Of some significance is also an attempt to assess the potential of an inflationary trend given the various assumptions involved in carrying out liberalization processes.

Price liberalization has one absolutely essential condition in the form of concurrent freeing of imports, because the relatively small economic size of the CSFR and the high degree of monopolization in the economy predetermine the need to assure adequate room for competition by providing import opportunities. Already in the introduction it must be said that this is a process with a number of effects that can be assessed only with difficulty, and especially so in the initial period. It can be assumed that a stable positive effect for producers, consumers as well as the State will be achieved rather in the middle or long term.

Outlook for Producers

The effect of price liberalization on producers will probably vary a great deal, depending on participation in the international division of labor, its form, the degree of monopolization and imbalance on individual markets connected with the extent of price deviation from the balanced level and price relations in the world. It will also depend on the overall financial position of the individual economic entities. It may be assumed that enterprises operating in an area where they have no or minimal participation in the international division of labor will be exposed to broadly lower economic pressure. These are especially a number of units in the tertiary sector.

A smaller extent of economic pressure can also be forecast for that portion of enterprises in the economic sector (about one-fifth of the enterprises) which show very good results as effective and efficient exporters to nonsocialist markets. Here the more demanding economic conditions will be reflected only in regard to production inputs. Greater economic pressures can be anticipated on enterprises engaged in external relations in Eastern Europe, particularly the USSR. The issue is not just adaptation to the new value of raw materials and fuel and energy sources as measured by world prices, but also the need to respond to the presently established overvaluation of engineering exports by 10-30 percent in relation to the technical parameters attained in economically advanced countries.

These enterprises will face considerable pressure to cut costs or raise the quality parameters of their products. The results of adapting to the new conditions will depend not only on the economic unit's shape in regard to mobilizable unused capacities (existing for instance in enterprise and above-enterprise overhead, overstaffing, etc.) but also on the kind of strategies employed by the individual enterprises. One might consider trying to bridge over the period of radical change in price conditions by a greater diversification of production, securing credits, mobilizing unused productive resources and improved product quality, a temporary production slowdown, enterprise combination (for instance by way of multinational cooperation). It is also necessary to consider the option of halting or shutting down an operating unit, whether due to lagging sales or failure to adapt to the new cost-price relations.

One cannot exclude a certain increase in illiquidity and disruptions in supplier-consumer relations which may lead to an even greater extent of illiquidity. The main threat will be to enterprises having a lengthier reproduction cycle, excessive demand for materials input, a production program competing with the newly industrialized developing countries, and enterprises one-sidedly specialized to serve certain regional markets (for instance the USSR). Under these circumstances great difficulties may loom for nearly one-quarter of Czechoslovak enterprises of the processing industries, which already at this time are showing poorer or insufficient competitiveness in foreign commercial transactions. It involves production capacities with an output of some Kcs200 billion employing around 500,000 people.

Household Budgets

The freeing of price formation and placing it on an objective basis has a number of consequences for consumers. There will be three influences at work here: abolition of the negative income tax, reduction or elimination of subsidies from the state budget, and projection of the movement of wholesale and purchase price levels into retail prices. Leaving aside the influence of changes in prices on the wholesale level, one can visualize three possible trends for the public's expenditure for basic necessities which would be characterized by:

1. Raising consumer prices while preserving the cost of living level by full offset from the State budget.
2. Raising consumer prices while providing partial offset from the state budget.
3. A sizable increase in consumer prices coupled with a more substantial reduction in allocations from the State budget.

The variant involving compensation for the negative income tax on foodstuffs would mean approximate maintenance of the present living cost level. It would be prolongation of the current burden on the state budget in the area of food, housing and transports (50 billion for food and industrial products plus 15 billion for transport plus 9 billion for housing). These subsidies account for 20 percent of state budget expenditures and equal 15 percent of the population's cash incomes. If the intention is to reduce the tax portion of the State budget and thus also its expenditures, this variant is not sustainable over the longer term.

The second variant involves a certain combination of declining offsets from the state budget and increasing consumer prices. Reducing State budget subsidies for basic necessities by 50 percent, that is by about Kcs35 billion, would mean raising the population's expenditure on these items by an average of 15 percent.

The third variant eliminating the second part of subsidies tied to the consumer would mean raising the expenditure on basic necessities by approximately 25-30 percent on average.

Deserving attention is an estimate of the impact of changed prices on consumer demand. Considering the large proportion of foodstuffs in retail trade turnover (about 46 percent), forecasting development in this sector of the retail market is of special importance. Taking into account experience from raising food prices in our country in 1982 and the process of retail price increases for food in Hungary and Poland and noting the changed conditions, one can foresee a longer-term durable effect of price changes on the flexibility of demand. In the first variant where the rise in retail prices (compensated for from the State budget) would reach roughly a 25-percent level, one can expect a demand cutback up to four to five percent, equalling approximately a reduction in meat consumption by five kilograms per person per year (from 91 to 86 kg per person per year).

Use of the second and third variant, that is gradually raising the level of retail prices by 30-40 percent, would probably lead to greater softening of demand by something like 10-15 percent and most certainly to a sharp rise in self-supplied consumption. But it must be said that the third variant would constitute a rather extreme version from the point of view of consumer expectations and social impact. Nonetheless this variant would not come into conflict quantitatively or qualitatively with present knowledge about the recommended amounts of food within the scope of rational nutrition in the world.

Liberalizing Imports

The intention behind liberalizing imports is first of all to help create a competitive market environment as the essential concurrent condition for freeing centralized formation of prices. The question is how quickly this is to be carried out and what the priorities will be in undertaking the gradual steps.

The alternative of splitting import deregulation into two or three stages is based on the assumption that a selective approach using export valuation would permit differentiation in the import structure to focus on products which would have priority in the liberalization process from the point of view of timing. The criterion for selecting would be effective support for competition and restructuring of the economy. The means would be an active customs policy levying differentiated duties on imported products.

Experience abroad shows that a gradual import liberalization offers a way to give expression to macroeconomic priorities in redressing situations of imbalance while allowing for the creation of a set of market-attuned instruments for temporarily shielding the industry from the competitive force of the economically advanced countries and their corporations. The following variant of a gradual import liberalization offers itself in Czechoslovak conditions:

—In the first stage liberalizing imports preferentially of machinery and components for the processing industries; in cases of unavoidable selection preference is to

be given to those branches in which the one-quarter of Czechoslovak enterprises operate which have shown themselves to be competitive in foreign markets,

—Including among the group of products slated for priority import liberalization in the area of consumer items in the first place consumer electronics the importation of which would exert economic pressure on Czechoslovak producers while reducing interest in individual purchases abroad,

—Including in the group of products to be liberalized later preferentially those commodities the domestic production of which shows competitive and development potential; a certain protection of these sectors of the economy could help shape a changed structure of the Czechoslovak economy's specialization profile.

Extent of Inflation

To try characterizing the overall inflation trend involves a number of pitfalls stemming from the difficulty to foresee the process of interaction between numerous circumstances and factors which themselves will be in certain flux. Nevertheless it seems worthwhile to define at least in rough outline the set of circumstances and assumptions pointing to a certain scale of inflation. The illustration is based on development variants ranging from a relatively low (around five to six percent), medium (around 10 percent) and higher (above 15 percent) rate of annual inflation.

A basic prerequisite for development according to the variant with a relatively lower inflation rate is mutual harmonization of the liberalization processes in the area of prices and imports, maintaining or firming up the exchange rate vis-a-vis the free currency area, stabilization in the credit and wage requirements of the economy while at the same time reducing its demand for subsidies. Concurrently it is necessary to minimize inflationary pressure in the investment sector by stabilizing or reducing the investment account (including reduction in investments abroad), and in the engineering industry by resolving the crisis in marketing its products.

In view of the likely fluctuation of liberalized (free) prices up from prices of a medium or long-term balance it would be necessary to insure that they do not rise above the interceding categories of prices formed or regulated centrally. The issue here is to see the price adjustment for basic economic inputs, that is raw materials, fuels and energy by about 10-15 percent (in order to approach world price levels), sufficiently moderated on the level of semifinished products and in the finishing sectors of the economy. There cannot be an enormous reduction in subsidies because in situations where it would cause substantial disruptions in the reproduction process its effect would be contrary to the original intent, that is, it would be inflationary.

It is among the characteristics of this development variant that a relatively stringent regulation of demand and of some liberalization processes leaves a certain room for hidden

inflation, that is inflation not registered by price indices. The prerequisites for the variant of a more moderate inflation embody essentially a less vigorous start in carrying out structural changes. Nor could one expect a more pronounced shift in the differentiation of incomes depending on performance merit, because wages as a rule are inflexible or not very flexible downward and the room toward dynamization is rather sharply limited.

An inflationary trend with an annual rate of about 10 percent is to be expected in case of failure to enforce a sufficient reduction in or to block cost projection of the increased prices of raw materials, fuels and energy (in accordance with world prices) into the processing sector of the economy. It would be a development featuring a more extensive representation of free prices and a lagging import liberalization. In this scheme a certain relaxation of the wage regulation system might find its niche, in the form of their rising excessively in terms of performance, sales and real labor productivity. A similar effect can result from an excessive investment program which can exacerbate shortages of building materials and components, leading to an inflationary surge in the prices of construction work and supplies. For the purposes of comparison let it be noted that an annual inflation rate around 10 percent emerged at the beginning of the 1980's in most economically advanced countries as a reaction of their economies to the change in cost-price structures following the second oil shock.

A development bringing the annual inflation rate to around or above 15 percent would be probably the result of insufficient consistency leading to undercutting the efficacy of the set of instruments protecting against inflation, including the creation of an anti-inflationary environment. Such a failure is possible for instance in applying free prices in a noncompetitive environment. It can also be the result of a combination of partial inflationary pressures in the field of credit, wages and investments. An impulse can also come from an excessive devaluation of the Czechoslovak koruna which will make imports substantially more expensive.

Price liberalization is tied up with important requirements for the creation of an environment necessary for it to bear fruit. The less the macroeconomic center will have to worry about setting prices, the greater effort it must exert toward the creation of adequate economic, organizational and social prerequisites for balancing supply and demand by means of prices.

Price Increase Proposed

90CH0358G Prague HOSPODARSKE NOVINY in Czech
1 Aug 90 p 4

[Article by Eng. Josef Havlicek C.Sc., Research Institute for the Economics of Agriculture and Food, Prague: "I Propose Making Food More Expensive"—first paragraph is HOSPODARSKE NOVINY introduction]

[Text] The first concrete step in CSFR's radical reform in the price sector was raising food prices. According to

the author it is a step in the right direction but in his view it is not sufficient to make our people economically equal in Europe. He calls for further increases in prices and wages. According to him it is necessary to remove more economic obstacles which do not consist solely in eliminating the negative turnover tax or a lower labor productivity.

Entry into the international market of goods, capital, services and also labor requires elimination of external disproportions existing mainly in the sphere of price relations in regard to both goods and services and, it must be emphasized, also wages. The currency exchange rate too must adjust to it. This rate must be the result, not an axiom up front. For the start we need not be interested in the ultimate exchange rate level but in the first place we have to see to a redress of price and wage relations and their adjustment to European conditions.

Redress of Price Relations

What are those "redressed price and wage relations?" In my view they are the relations which will enable the CSFR to join in the international division of labor so that this division of labor benefits both our enterprises and citizens and our foreign partners. It is actually the question of advantage in foreign trading even between countries with maximum differences in their economic levels. Table 1 showing the different economic levels may serve as an example.

Table 1.
Comparing Food Consumption

	Annually (in ECU's, per capita)	Percent of total expenditure	Percent of retail trade revenue
European Community, average	6,681	21.1	38
FRG	9,154	17.0	32
United States	11,863	13.4	30
CSFR	1,567*	26.4	47

* Prior to devaluation

These figures reveal not only our lower economic level but also the disproportions in prices and wages. The largest disproportions in price relations exist unquestionably in sectors where today we have the largest state subsidies of all kinds including the negative turnover tax. Most pronounced are the disproportions in regard to foodstuffs.

A rectification of price relations cannot in my opinion affect one branch of the economy but rather the whole of it. In some branches, in contrast, we have very high retail prices (in relation to prices abroad). Since one cannot assume an overall reduction in wholesale and retail prices for industrial products and services—rather the contrary, it is then necessary to adjust to these prices also the purchase prices and retail prices for both foodstuffs and services, as is already envisioned in the government

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proposal. But there is debate on the rate and content of the price rectification and its offset to the population.

My concern is primarily for redress in price relationships, rather than evaluation of the nominal price level. This can be best judged by comparing the level of purchase and retail prices for foodstuffs. Czechoslovak agriculture has been subject to well-known criticism for its high costs as compared with the FRG, as according to the Forecast Institute of the Czechoslovak Academy of Sciences our costs in agriculture exceed the prices of farm output by Kcs100 billion. Table 2 compares purchase prices in the FRG and CSFR.

Table 2.
Comparison of Purchase Prices in the CSFR and FRG
(in DM and Kcs for Equivalent Units)

Product	CSFR		
	1988	1989	Proposed*
Wheat, soft	363.40	1,765	2,800
Rye	359.50	2,711	3,720
Barley, fodder	334.00	1,712	2,800
Barley, malt	435.00	2,668	4,150
Potatoes, consumer grade	200.20	2,446	3,200
Sugar Beet	956.10	463	900
Milk	633.90	4,600	5,760
Cattle, for slaughter	3,708.00	30,153	34,450
Hogs, for slaughter	2,518.90	21,595	26,125
Chickens	1,680.00	17,687	21,600
Eggs	144.60	920	1,100

* This is an orientation proposal of the VUEZVs [Research Institute for the Economics of Agriculture and Food] which will be further refined.

If we convert DM into Kcs at the commercial exchange rate of DM1 = Kcs10, we see clearly that the Czechoslovak purchase prices are low. Preliminary orientation proposals for rectifying purchase prices are still undervalued and do not correspond to market conditions where prices are not set on the basis of cost calculation. A similar situation occurs also with regard to retail prices of foodstuffs—see Table 3.

Table 3.
Comparison of Food Retail Prices in FRG (DM),
Austria (Austrian Schilling), and CSFR (Kcs)

	CSFR			
	FRG	Austria	Before 8 Jul	Present
Beef, fore per kg	9.86	84.70	17.00	27.00
Beef, hind per kg	17.29	109.00	46.00	67.00
Pork cutlet, per kg	10.94	101.00	46.00	50.00
Pork shoulders, per kg	7.48	57.10	20.00	25.00
Chicken, per kg	5.12	41.30	30.00	31.00

Table 3.
Comparison of Food Retail Prices in FRG (DM),
Austria (Austrian Schilling), and CSFR (Kcs)
(Continued)

	FRG	Austria	CSFR	
			Before 8 Jul	Present
Milk 3.5 percent fat, liter	1.18	11.70	3.10	4.80
Butter per 1/4 kg	2.18	22.40	10.00	16.80
Bread roll, ordinary, kg	5.42	—	6.67	8.80
Bread, dark	3.14	15.70	3.60	4.60
Wheat flour, per kg	1.25	13.70	3.80	4.50
Potatoes (November)	1.00	7.92	2.00	3.10
Beer 12°, 0.5 liter	0.94	7.47	4.70	4.70
Coffee, 0.5 kg	9.96	30.50	120.00	120.00
Sugar, crystal per kg	1.92	16.70	7.30	10.00

The table shows that with the currency exchange rate mentioned our retail prices for food, with only few exceptions, remain low in comparison with neighboring countries even after eliminating the negative turnover tax. Hence, while respecting the price of land, it is desirable to raise purchase prices by this factor, eliminate bonuses and premiums added to purchase prices which have no defined purpose, and consequences from raising wholesale prices of inputs, ultimately projecting this increase along with abolition of the negative turnover tax into new retail prices of foodstuffs. Along with this it is necessary to improve the relationship between purchase and retail prices so as to make them more responsive to food production as well as consumption. It means a departure from the present practice of pricing based on costs and starting the transition to market prices regulated by supply and demand. This will moreover require a genuine redress of price relationships in all areas as well as within the farm-food processing complex.

Wage Subsidies

Why am I proposing a further increase in food prices? Given today's retail prices foreign visitors find the purchase of food greatly advantageous to them at the current exchange rate, and not just the tourist rate. Our citizens pay the price for it for the second time due to their low wages and incomes as compared with the Western countries. Even as the gate to Europe is being gradually opened, this remains an economic obstacle to the Czechoslovak citizen's entry into it. The decisive aspect here are the deformed price relationships which are ultimately responsible also for the low level of wages, salaries and pension benefits. It bears the signature of the so-called social consumption in the broad sense of the word which was formerly touted vaguely and without specifics, thus becoming to a large extent socially unjust. So the obverse of a price redress must be redress in wages and incomes.

Redressing the wage situation is meant as a transfer of essentially all State subsidies to retail prices and prices of services, and compensating the public for it in the form of higher wages and incomes. On top of this there should be a wage adjustment reflecting the rectification of price relationships. The social consequences must be taken into account, to avoid an inordinate decline.

The wages and incomes of our people must be brought up to a level corresponding roughly to price relations abroad, making it advantageous for both foreign and domestic partners to conduct international exchanges—not like today when we see our national income flowing abroad. This cannot be achieved without raising prices and wages, even if it becomes reflected in the currency exchange rate.

An improvement in our national economy has to be achieved not by lowering the standard of living but primarily by creating room for a dynamic development of the economy. Only when dynamism is present can room be created for growth and harmonization between supply or demand (or demand as a priority to which supply adjusts).

Today's extensive and unfocussed social consumption must of necessity be replaced by paid personal consumption for which the population must get the financial wherewithal in the form of increased wages and social benefits. The appropriate level of wages, rewards and social benefits, substantially higher than at present, can be determined only when all price relationships are placed on an objective basis. This has to be taken into account and an increase in wages and social benefits included in the strategic plan of development and renewal even at the price of a managed inflation. Without an inflation utilized to redress price relationships and structural deformations it is impossible to restore health to the national economy.

A radical rectification of price relationships, in essence an increase in all kinds of prices with full offset for the population, may mean raising the economic numbers but at the same time leads to more realistic economic relations. This is something the state authorities can ultimately tackle in the process of reform, without control slipping out of their hands. It is the kind of measures which do not create incentives for a further uncontrolled growth of inflation.

A one-shot increase in prices will have a strong impact on the thinking and behavior of the population. For the future it will lay the foundation of market stabilization and renewal of citizen confidence in the national economy. Conversely, timidity in a radical price rectification will force great changes in the transition to price liberalization, with unconscionable consequences in disrupting supply-demand relations.

When Production Declines

Many general comments point to the danger of and need to avoid inflation. The danger is an "unmanaged" inflation stemming from the movement of factors which produce inflation. Movement of these factors will be the greater the lower, less harmonized the starting conditions will be. From this viewpoint I should like to emphasize the importance of growth in production. Perhaps we underestimate the specter of a crisis. Restructuring production is a necessity. But what about a decline in production which may eliminate some production inefficiencies but on the other hand fails to stimulate the growth of efficient branches? This is a matter to be resolved primarily in the domestic market. Foreign markets can help but cannot supplant the national market.

There are two factors which will influence a decline in production: first, restructuring of the economy because replacement for the abandoned production lines will come only later. Second, it is a shortage of inputs into some branches or production lines, or lagging sales of products. Even though it is not possible to protect production for the sake of production or production of useless items, a combination of the abovementioned factors may lead to a production decline even in branches whose efficiency and production program are highly desirable.

Thus state action creating conditions for minimizing losses due to unwanted production drops is therefore the second basic task of management, next to the price measures. For an example I will cite the situation in the farm and food processing complex. Decreased demand for foodstuffs which may be expected in the initial stage will have an impact not only on agricultural enterprises but in a ripple effect also on that industry sector which supplies inputs into farming. Hence it will be necessary to adopt measures assuring the least possible impact of reduced demand. Insufficient sales mean also a shortage of financial means for expanded production.

To insure that production and consumption meet requires an approximate balance on the domestic market. This may be given from the material point of view by producing items and services that are in demand, but from the economic point of view it is conditioned on the availability of sufficient financial means on the consumer side. This means also adequate wages and incomes—of course paid for work which has produced usable and salable values.

The overall volume of consumer incomes then breaks down into two main components, that is personal consumption with direct demand seeking supply, and savings. The latter constitute in fact accumulation of capital and formation of resources for expanded production, and in turn then for a growth of wages and incomes as well as growing supply to satisfy a growing demand. A

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condition of course is consumer confidence in a stabilized development so that they will not throw all income immediately on the market.

An adjustment in the level of wages and incomes is therefore the initial precondition for unleashing growth in our national economy. Wage growth accompanied with dynamic development has to some extent an even more favorable influence on further growth of production than the growth of profits! Fears of rising inflation can be addressed by state regulation and help with the sale of excess inventories which exist in both production and trade and on which additional unproductive funds are being spent.

The measures proposed above cannot lead to relieving the burden on the state budget. Elimination of some expenditures from the state budget (for instance the negative income tax) will be offset by reducing state budget revenues. The state budget can make a profit of it only if the reduction of expenditures will be at the expense of the living standard.

HUNGARY**Government Announces Economic Program****'Quick Program'**

90CH0388A Budapest FIGYELO in Hungarian
5 Jul 90 pp 1, 5

[Unattributed article]

[Text] The government published its concepts of economic policy for this year under the title "quick program". The program is focused, on the one hand, on drastic price increases and cutbacks in subsidies which no doubt will cause further price increases and, on the other hand, on privatization and proposals to help small ventures, and to abolish waiting lists. Contrary to the preliminary concepts, the program also includes covert tax increases; the dividends of state assets are being increased from 18 to 25 percent.

Of course, we cannot undertake a thorough analysis of the program because for that we would need to know the details. (Especially those related to the problem of the waiting list, the function of the new type of financial institutions—e.g., the State Discounting Bank—and a whole series of other proposals.) However, there is nothing surprising in the program; for several years now, we have been on the path where the government has been trying—through tighter measures in pricing, subsidies and taxing—to stop the increasing tensions while also trying to make advances in building the basic institutions of the market. The fact that the earlier plans had already included most of the announced price increases is no surprise either.

Government intervention, increasing sales and consumption taxes and decreasing subsidies, are understandable although their inflationary effect is evident. Considering the low rate of savings and the minimal willingness of enterprises to hold onto their money supplies, this is the only realistic way to lower the state budget deficit that leads to indebtedness. Of course, this will not happen easily, for about two thirds of the subsidy decreases and price increases cause an increase in other central expenditures, some in the form of sociopolitical measures and others in that of increased expenditures by institutions that are part of the budget.

However, the excessive role of state housekeeping can only be terminated through a long-term program of budget reform which would fundamentally reassess the central government, the autonomies, and the households with regard to the range of their decisions' effect, to their choices, and to their financing tasks. Until then, however, the heavy tax burdens must be maintained, and practically the only way to address the recurring financial tensions is to introduce fiscal and monetary constraints that have a price-increasing effect in the highly monopolized enterprise structure.

All this is not good but, unfortunately, we must live with this phenomenon and with this cast, not only this year but at least for the next one or two years. Moreover, only temporarily can the government postpone a further devaluation of the forint.

The rationality behind the increase of state asset dividends from 18 to 25 percent is more doubtful, especially in comparison with the 10-percent credit interest charged for setting up small ventures. Actually, a profit tax increase for state enterprises is at issue which, because of the unrealistic amount of dividends, may have a braking effect on the economic activity and will no doubt expand the circle of enterprises with unreliable earnings.

In reading the program proposal, it is not the price increases and cutbacks in subsidies that are a cause for concern although their inflationary effect will be longer lasting than expected. Bombastic statements, such as the promise of an immediate privatization of 30,000 to 40,000 commercial and service units, are more disturbing. Similarly, changing the waiting list into bonds amounting to 200 billion forints is rather astounding. (As a comparison, the enterprises' unpaid credit for acquiring working assets amounted to 320 billion forints at the end of last year.) Even half of these illustrative figures is hardly a laughing matter.

The fact that the Budapest Stock Exchange is the exclusive place where the stocks of enterprises to be privatized can be sold is outright disagreeable. Just like enterprises would, in many instances, benefit from foreign appraisal, the country would also benefit from foreign capital investment and from the establishment of close relations between the domestic capital market and the international money and capital markets. Without this, we can

only have a provincial stock exchange. I think that the temporary halt of land trade, too, slows down, above all, the inflow of foreign capital.

Notions related to a change in the conditions of ownership and the authority to make decisions are also confusing. In the revival program, reference is made to a reexamination of the role of enterprise councils; in the present quick program, the placing of 30 or 40 major enterprises under government management and a campaign of a government-initiated decentralization are mentioned. On the other hand, the responsible state secretary speaks of managers being evaluated now by the collectives, implying a campaign of change in the upper management personnel. It would be good if the powers of self-governing bodies, employees, managers, and state institutions were clearly and unequivocally defined. Today these powers are malleable, and the only clear thing is that the government is ambitiously trying to extend its powers at the expense of both the Parliament and the managers. The changeability of the framework of enterprise management and the uncertain atmosphere surrounding the management are not in the best interest of rational business activity.

There is no mention of home financing and the regulation of interest subsidies although the latter amount to the highest subvention credit which is, at the same time, socially outrageous because, in the final analysis, the homeless and the longtime homeowners must pay for the real excess earnings that are pocketed by the major credit beneficiaries—even though they may not think so. Both problems would warrant a change, effective 1 January 1991, but these could be implemented only if the government would present, in September at the latest, its proposal that would no doubt elicit lively debate and anger.

Thus, as earlier, the unavoidable price increases will take place. However, the development of market institutions seems to be characterized by bombastic promises, uncertain (and thus unappraisable) means, and fear of (or at least aversion to) foreign capital. All this is no certainty, of course; the quick program will be evaluated by the real program and, even more so, by the apparent changes. We can only hope that this road will not lead to a provincialism that redefines the axiom of isolation or to a market conservatism that venerates the small producer, not ventures.

Details on Enterprise Development

90CH0388B Budapest FIGYELO in Hungarian
12 Jul 90 pp 1, 4

[Article by Sebok: "Wholesale Dismantling of Enterprises"—first paragraph is FIGYELO introduction]

[Text] The Secretariat of Economic Policy of the Office of the Prime Minister placed its material on creating the conditions for the development of small and mid-sized ventures at our paper's disposal.

The development of small and mid-sized ventures is an important part of the government's quick program to put some spark into the economy. In the coming days, the Council of Ministers will discuss the plan to create the necessary means and conditions.

A significant increase in the economic weight of small and mid-sized ventures is not only the cornerstone of the economic policy to be followed but is, at the same time, the basis of the government's policy, for the issue is to give hundreds of thousands of people the possibility of venture and ownership. Through the measures to be introduced, the government wishes to make it possible, mostly for people presently in an employee status and for people whose existing venture did not yet reach or exceed household limits, to engage in ventures. But, to a certain extent, successful mid-sized ventures also can count on an expansion of their field of action and resources. The Hungarian economy, the population, and interested foreign investors together possess the existing and dispensable resources with which this program can be implemented. These are: —a significant part of the capital tied down by state enterprises can be used for small ventures independent of one another; —part of the credit for refinancing state debt can be applied to credit for developing small ventures; —the population possesses significant liquid and non-liquid assets that can be utilized for ventures or venture funds; —foreigners are offering and promising significant financial support for special purposes and preferential credit for well-defined goals of venture development.

Instead of immediately assigning individual ownership, assets of large enterprises that can be divided into small ventures must be mobilized by venture-distributing methods which, after a short period, make it possible for the employee-turned-entrepreneur in a second stage to become owner. Transferring to ventures may take place in several ways, by adapting to the characteristics of the given branch, e.g., classic tenancy, franchise, leasing etc. (And, in the meantime, the manager of state property, or his deputy, would exercise ownership rights over the remaining enterprise, which provides services and collects the rents.)

One reason why the venture distribution of the assets of large enterprises that can be divided into (small) ventures is such a dominant element of the program is that the problem of most employees having no investible savings can be circumvented. On the other hand, many people could afford, or could be offered minimum amounts of credit for, tenancy and leasing fees. And earnings from the venture could be used for the capital necessary for ownership.

Ideas for venture may emerge, of course, which do not make use of the property and assets of existing large enterprises. The conditions for giving these a start would be assured by the so-called incubator houses (yet to be developed), the starting capital of which would be provided from government, foundations, budget, etc.,

resources. The vacated property of liquidated large enterprises could often serve as locations for these ideas.

Of course, not all elements of the venture-stimulating program can be implemented without credit. However, credit accommodation would take place differently than before; foreign credit sources to be used specifically for venture development as well as domestic funds would be used only for paying credit interests and expenses of credit guarantees in whole or in part, but the credit itself would be provided to the entrepreneur by commercial banks. In the interest of implementing the government program that supports small and mid-sized ventures, the government is planning to establish the Office of Small Ventures which would coordinate the activity of the institutions involved and the related programs.

There are, or there will be, numerous additional elements in the venture-stimulating program, so that real privatization can begin at last, the large number of players necessary for developing the market can appear, and the basis of society—the bourgeois middle class—can be born.

And the program itself can probably be launched around September, at the end of the 100-day grace period, by dismantling a few selected large enterprises and dividing them into ventures.

Land Privatization: Minister's Speech Suggests Postponement

*25000788A Budapest NEPSZABADSAG in Hungarian
22 Aug 90 p 1*

[Unattributed report: "Is the Government Going To Declare a Moratorium? The Minister of Agriculture in Kecskemet"]

[Text] After opening the 22nd national winery contest in Kecskemet, and after visiting two large enterprises in the Kiskunsag region, Agriculture Minister Ferenc Jozsef Nagy met with leading professionals of the region's large plants. In his introductory remarks he dwelled at length on the past, on politics and history. But hardly anything was said about current issues of real interest to the profession. Private agricultural property, linked to the rehabilitation of the peasantry constitutes a top priority issue ["must be placed in the forefront"] to enable us to take competitive products to the real market, Nagy said. And if a person claims his rightful property, there should be no obstacle in the path of reacquiring it.

This is so, except for the fact that "according to the Marxist definition, land has no value." Accordingly, it is possible that the cabinet will be forced to declare a moratorium for a few years.

Cooperative members may decide for themselves how, and in what form they want to farm. Assessments are already underway. These proved that advance claims were made for only a fraction of the land originally made subject to reclaiming. Speaking of the much debated

hectare and a half—the land area designated for landless cooperative members—Nagy said that such land does not serve the purpose of livelihood. It only establishes a secure base for the transition period.

[In addition to journalists,] professionals from the cooperatives also asked some rather pointed questions of the minister. For example, they asked about reduced subsidies for disadvantaged producer cooperatives, about produce prices, the timing for the enactment of the land law, and about the law on cooperatives. One of the persons asking questions commented on the replies as follows: "Mr. Minister, there is nothing I can take home with me aside from your calmness and objectivity."

Preliminary 1990 Census Summary Report: Low Level of Confidence

*25000788D Budapest MAGYARORSZAG in Hungarian
No 34, 24 Aug 90 p 19*

[Text] Ten years ago Hungary's population numbered 260,000 more than at the time when the 1990 census was taken. This is shown by preliminary data still subject to detailed analysis, published by the Central Statistical Office [KSH] in the periodical STATISZTIKAI SZEMLE. Population decline during the past decade is a result of unfavorable demographic processes. Between 1980 and 1989 the number of deaths (1.448 million) exceeded the number of live births (1.307 million), thus a natural attrition of 141,000 persons occurred since 1980. As of 1 January 1990 Hungary's population numbered 10.450 million.

According to preliminary data, as of 1 January 1990 there were 5.023 million men (representing a 3.2 percent decline) and 5.427 million women (reflecting only a 1.7 percent decline). The number of women per 1,000 men increased from 1,064 to 1,080.

According to the KSH preliminary report there are 3.845 million housing units. This represents an eight percent increase of 301,000 housing units. This increase is smaller than the housing growth experienced during the past two decades, when the number of housing units increased by 13 percent. All this is related to the declining pace of housing construction. Between 1980 and 1989 almost 690,000 new housing units were built in the country. This figure is one-fifth smaller than the number of housing units built in the previous decade. At the same time the number of discontinued housing units increased. The qualitative composition of housing improved.

The KSH report states that fewer people responded to this year's census than ten years ago. Among other reasons the KSH blames "negative press information" for this phenomenon. But according to the report, the main reason for some 30,000-40,000 persons failing to respond is as follows: "The willingness to provide data was negatively influenced by the extremely adverse disposition of the populace: Confidence in the state and in its institutions has been shaken. This strongly affects the

normal functioning of state institutions—and within those the council organizations which direct the implementation of the census." Regarding the adverse disposition, the report returns several times to the responsibility of mass communication media: "Amid a declining standard of living and a general lack of confidence, the 700 million forint [census] expense budget publicized in an inappropriate light produced adverse feelings in every stratum of society, and among the census commissioners. (...) Critical articles and television programs evoked a greater response [than the census questionnaire]. Such articles and programs were taking advantage of ["building"] on the [already] adverse public mood."

The apparent failure to complete responses to questions concerning the respondents' income and financial situation, and the ratio of responses that differ with the actual situation is one of the characteristic findings [published in the report]. The reliability of responses within a group of questions pertaining to nationality deserves separate mention. These may be viewed with reservations, particularly when specific questions concerning nationality were asked.

Final processing of the data will be completed in the course of the year, partial [as published; most likely: detailed; "reszleges" should have been "reszletes"] data will be published in the course of 1991-1992.

Uranium Mine Shutdown Postponed

90CH0381E Budapest HETI VILAGGAZDASAG
in Hungarian 16 Jun 90 p 7

[Unattributed article: "Uranium Mine Postponement"]

[Text] The Mecsek Ore Mines Enterprise (MEV) has been granted a two-month extension, despite the passing of a government decree earlier halting uranium mining in Hungary (HETI VILAGGAZDASAG, 9 Jun 1990). In connection with this latest decision, made at last week's ministerial conference of the Ministry of Industry and Trade, Minister Akos Peter Bod told HETI VILAGGAZDASAG that deciding on the closure of a mine at the government level had not been a good idea, and that the future of state subsidies should have been the only topic discussed there. The extension which has been granted until the end of July, can also be justified by the fact that according to MEV, their operation may even be turned into a profitable venture: There are foreigners who are interested in mining uranium in Mecsek. These interested parties, however, are also asking to be exempted from all taxes and even from having to contribute to the social insurance fund, the minister has told us. We were, however, unable to find out which of the two top inquirers he was referring to, the Irish Glencar firm, or the West German Urangesellschaft. "As everyone knows, however," added Akos Peter Bod, "uranium mining is detrimental to one's health, hence social insurance payments can hardly be dispensed with. Nonetheless, even though we agreed to grant such an exemption—and the mine itself had a balanced account—this

would only transfer the 'deficit' to somewhere else. Shutting down the operation, however, is also expensive: In the case of uranium mines it is not enough simply to 'fill' the shaft, hence it is estimated that the cost of closing will be at least around 12 billion forints." In the next two months they will also be looking at the possibility of turning the uranium mine into a disposal site for hazardous materials.

Mercury Contamination at Borsod Chemical Combine Alleged

25000788B Budapest NEPSZABADSAG in Hungarian
22 Aug 90 p 10

[MTI Report: "Environmentalists Versus Borsod Chemical Combine: Mercury Contamination, Accusation, and Denial"]

[Text] On Tuesday the Miskolc group of the Hungarian Green Party and the Green Action Association forwarded a news release to several press organs. They accused the Borsod Chemical Combine [BVK] claiming that it perpetrates the largest environmental pollution in Hungary of all times: A large quantity of metal mercury was lost in the factory and this endangers the environment.

The BVK uses mercury in the course of preparing its various chemical products in the barium chlorate and muriatic acid plants. A rather large volume, estimated to amount to between 500 and 1,000 tons disappeared, according to the environmentalists. They demand an immediate halt to the environmental pollution, the closing down of the plant, and that persons responsible be held to account.

The MTI reporter reached BVK Incorporated Chairman and President Lajos Tolnai by telephone on Tuesday afternoon. He had this to say:

"This mercury may be found within our factory premises, it did not leave the factory, it is not polluting either the River Sajo or the environment to the extent stated. According to our measurements one finds under the factory between 300 and 500 tons of mercury, no more. Below this mercury there is a sealing layer in the ground which prevents the damaging escape of mercury. In any event, the most important thing for us to do is to protect our workers and the environment against the damaging effects of mercury. We could not have polluted the Sajo because according to examinations made by outside professionals more mercury can be found in the upper regions of the river than in its down flow segment adjacent to the BVK. This statement is also supported by rather accurate environmental protection tests. In the recent past we reached an agreement with Environmental Protection Deputy State Secretary Zoltan Illes to the effect that we will discontinue using this dangerous chemical as soon as possible, to our mutual satisfaction, following thorough examinations to clarify this matter."

ECONOMIC

In his further remarks the president said that they have reached an agreement with the American Martech firm in regard to discontinuing the use of this harmful product. This firm also agreed to cease the environmental harm done around the abandoned Soviet barracks in Hungary. The ground below the BVK will be cleaned of mercury by using the most up-to-date technological processes.

Paper, Packaging: Austro-Hungarian Joint Enterprise Formed

25000788C Budapest FIGYELO in Hungarian
16 Aug 90 p 4

[Unattributed report: "The Largest Joint Enterprise"]

[Text] Dunapack Incorporated, Hungary's thus far most highly capitalized joint enterprise, came into being on 14 August 1990 with the founding capital amounting to \$205 million. Hungarians control a majority of the stock. The Paper Industry Enterprise together with Hamburger AG, which is part of the Austrian Prinzhorn Group, and with Mosburger AG, established the company primarily to manufacture paper and packaging materials. The capital of the joint enterprise is composed of the fixed assets and real property of the Paper Industry Enterprise located in its factories at Csepel, Dunaujvaros and Nyiregyhaza, and of cash contributions amounting to a total of 40 percent of the capital from the Austrian coowners. The State Property Agency did not object to the establishment of the company.

Simultaneously with the signing of the agreement the contracting parties also signed a long-term commercial and cooperative agreement. These cover investments scheduled for the upcoming years and further ties intended to be established by the two corporate groups. As a result of all, this the position of Hungarian paper manufacturing will substantially improve in an increasingly concentrated European paper industry.

POLAND

Polish Peasant Party Solidarity Prescription for Farming Reform

90EP0831A Warsaw RZECZPOSPOLITA in Polish
13 Aug 90 pp 1, I

[Article by Krzysztof Gottesman: "To the Rescue of Farming: Proposals of the Polish Peasant Party Solidarity"]

[Text] Practically every aspect of Polish agriculture is deplorable. Small, parceled-up farms tilled by too many and mostly elderly people, combined with an extremely low level of mechanization and farming techniques, which result in the food thus produced being unhealthy and of low quality, with the statistical average family having to set aside for purchasing it a substantial part of

its income [sentence as given]. If we also consider the ecological devastation, the picture is nearly complete.

Programs for rescuing agriculture have long been conceived in various places. There was, for example, the idea of the income parity between town and country, or the notorious concept of one liter of crude petroleum being equal to one liter of milk. A week ago, on the TV "Interpellations" program, the Chairman of the Private Farmers' [NSZZ RI] Solidarity Gabriel Janowski perceived opportunities in the Skansen [open air ethnological park] nature of our farming, which could flood the world with fragrant hams and succulent apples.

Recently the Rzeszow A-Z daily published the draft Farming Program of the PSL [Polish Peasant Party] Solidarity, which was prepared under the direction of Mieczyslaw Kaczanowski and Zenon Zlakowski.

The Principal Tasks

The basic premise of that program is the belief that "farming must be helped by the entire society as well as by the state through a wise policy." The reason is because, the authors believe, farming and farmers are the best prepared for a market economy and can market their output most rapidly, both in the East and in the West. The East in particular is to be attractive, since it is a natural outlet for exports of the already occurring surplus output.

The belief in the necessity of help for farming is coupled with another belief, namely, that the program of the future government should be adapted and subordinated to the principal objectives of farming. The most important task is to break up the monopolies on the market and on procurements, processing, and supply. And the next most important task is to provide low-cost credit and to promote the exports of farm products.

Once the government satisfies these conditions, farm production will revive, and this will afford "a genuine opportunity for ending the recession of the economy as a whole." How? "At present between four and five percent of Polish industry is working for agriculture, compared with nearly 27 percent of industry in EEC countries. Thus, the changes in agriculture must be accompanied by changes in industry."

The Countryside Must Change

PSL Solidarity is in favor of changes in the size of peasant farms. But these changes should take place parallel to the development of a nationwide infrastructure providing new jobs. This process should be stimulated by the state, which should provide credit assistance and tax exemptions as well as tax forgiveness to those farmers who are enlarging the area of their farms as well as to those who decide to abandon farming and change careers. In the opinion of the program's authors there exists, however, the danger of a converse process. The economic recession is causing an influx of urban population to the countryside, and the persistent crisis will

prompt people to hold on to land rather than to get rid of it. The regional differentiation of the Polish countryside necessitates pursuing different policies in different regions. This concerns, for example, differentiating the fees and tax exemptions and other incentives for the cultivation of relatively infertile soils.

The new system of society in Poland should be enriched with the still embryonic system of local self-governments, which is as yet practically nonexistent in the countryside. As the PSL Solidarity views it, rural chambers, whose membership would consist of practically every farmer who is of age, would constitute such self-governments in the countryside. These chambers would become the most important rural institution, and they would assume most of the powers of the state administration, while the present Ministry of Agriculture would become a spokesman for a state policy that takes into consideration the good of the entire society. These chambers, which would be legal entities, would also attend to agricultural services and farming research stations and partly also farming education. In addition, they would take over the agricultural service stations hitherto subsidized by the state. Another purpose of these chambers would be to protect indigenous producers by fixing minimum prices at which exportable commodities could be purchased from the producers in periods of farm surpluses.

The PSL Solidarity shares the government's opinion that privatization of the economy is inevitable if the ultimate reform of the state is to be carried out. However, it believes that, owing to the absence of sufficient capital, the simplest form of ownership transformation is various forms of collective ownership. This is how the state farms should be handled.

The recently established Agricultural Marketing Agency is to play a crucial role during the current transition period. Its principal function must be to take measures promoting the stabilization of the agricultural market on the basis of intervention prices, fixed upon acceptance by representatives of farmers, food processors, and traders.

Where To Get the Money

The PSL Solidarity wants to solve the problem of financing the changes in farming by means of a ramified and preferential credit system, which, however, requires new funding sources. One such source could be, for example, the relatively unpopular mortgage loans. But that alone will not be enough. Part of the reforms is to be financed with World Bank credit. The program repeatedly emphasizes that the entire income earned by the countryside must revert to the countryside. This also applies to the entire revenues from exports of farm products, currently estimated at \$2 billion annually, and the entire revenues of the state monopoly on alcoholic beverages.

What About the Cooperatives?

The existing rural cooperatives have not had much in common with genuine cooperatives and were largely responsible for the ruin of the countryside and agriculture. Even the elections last March did not change this situation much.

The solution is to be the new law on cooperatives. The present structure of cooperatives, which promotes the accumulation of cooperative assets by large conglomerates, does not correspond to the proposed changes. The decentralization should consist in the break up of cooperatives into their smaller local counterparts which may or may not jointly own and operate factories. The cooperatives handling procurements, storage, and processing are to have a separate status.

* * *

Such are in brief the principal planks of the extensive program of the PSL Solidarity. It can be seriously faulted for at least two reasons.

First, even if we consider that this program was drafted by a peasant party, it is a totally and unilaterally pro-farming program. Its starting premise of the special importance of farming does not warrant an unbiased assessment of the economy as a whole and, from that viewpoint, of farming.

The second mistake is the wishful thinking and claimant language in which this program is couched. Illustrative of this is the statement: "Farmers who establish farms on new PFZ [State Land Fund] lands, as well as farmers who invest in intensifying their production, should have access to credit at a favorable interest rate as well as to tax relief such as tax exemptions or tax forgiveness and also relief from other encumbrances owed the state. Farms must be provided with specialized services for handling such arduous operations as the application of pesticides, the production of protein feeds, and the repair of machinery and equipment. A network of service establishments providing a wide range of services from typically agricultural ones to stores, restaurants, savings banks, etc., must arise in the countryside." All this indeed ought and should happen, but the PSL Solidarity program does not say how to achieve all this. Still, the program also contains many positive elements, especially when it declares, "It is not possible in the long run to force through minimum prices guaranteeing profitability to all farmers regardless of their individual productivity. Rigid prices are a negation of market economy."

In sum, the PSL Solidarity program represents yet another important voice in the discussion of the future of Polish agriculture and Polish economy. It merits attention.

Price Guarantees Not Enough To Stabilize Food Market

*90EP0828B Warsaw ZIELONY SZTANDAR in Polish
No 38, 22 Jul 90 pp 3-4*

[Article by Prof. Miroslaw Pietrewicz: "Guaranteed Prices Are Not Enough"]

[Text] The Polish Peasant Party's program should formulate the goals toward which it is striving and define the ways in which it intends to achieve them. These goals should correspond with the political, social, and economic problems facing the residents of the countryside and the people who are connected with the countryside. The program should also not omit current, important problems. The relationship to these matters will, in large measure, determine the degree of support in the forthcoming parliamentary elections.

One of the important current issues, which is of long-term significance, is the imbalance on the foodstuffs market. The large fluctuations in the prices paid the farmers and the difficulty they are having with selling what they produce. No farm can function correctly and develop under such conditions. Ad hoc government decisions, even the intervention of the office appointed for this purpose, cannot ensure the indispensable minimum of stability in the economic conditions necessary to make the right production and organizational decisions.

To stabilize the food market so as to stabilize the conditions for the production and sale of farm products and consumer prices, it is essential that a coherent system be created which will include price guarantees for agriculture, funds for intervening on the market, reserves of agricultural raw materials and food products, an efficient system of regulating export and import, and an institution using these instruments.

Stability of profitability of production and internal price relationships of basic farm products is of primary significance for agriculture. This is due mainly to the long production cycle, particularly in livestock production, and the inability of every farmer to amass the necessary reserves. That is why the stability of the basic economic parameter, which is the reference point used by the farmers in making developmental and current decisions, is essential. This parameter can and should be minimum guaranteed prices covering the basic varieties of grain (wheat and rye), slaughter hogs, and milk.

These prices should be established at the level of the average costs of production on a countrywide scale, taking into account the pertinent relationships of costs between plant and animal products, and the tendencies for change in these relationships as a result, for example, of the replacement of ready grains with feed mixtures.

Minimum guaranteed prices should not at all be the prices actually paid to the farmers. That is why these do not have to be the prices which will ensure the indispensable profitability of production produced in amounts essential for the supplying of the populace with food, or corresponding to the

size of demand. I repeat, these should be prices which will indicate the minimum effectiveness of outlays in agriculture, prices which will stabilize production in the better-than-average farms. They should also be prices which will let the relevant office know when it should begin to intervene in the market.

The prices actually paid for farm products should be market prices, always higher than the guaranteed prices. Therefore, if, e.g., market prices come close to guaranteed prices, this should be a signal to begin the interventional procurement of those products. Therefore, the market price is always the price of the balance between supply and demand, the guaranteed price, the parameter stabilizing production and the point of orientation for the office responsible for stabilization of the food market.

The minimum guaranteed price should be established once or twice a year on the basis of the pertinent information on production costs, or in the absence of such information, on the basis of the price growth indicator of the means of production (correct and rapid information is needed for this). That is how it is actually done in the CEMA and Scandinavian countries.

To stabilize the food market, it is essential that suitable reserves of the basic farm products be created, as well as a system for regulating the foreign turnover of food commodities. The determinant of the size of food exports and imports should be the state of the domestic market.

The entire world sells surpluses of farm products, or buys them to supplement shortages in its own production. Hence the international market of food articles and farm rawstuffs is relatively unstable. Therefore, it should not be the one to specify the terms of sale or purchase of these products. It would be advisable, therefore, to retain (or create) a system for licensing export or setting quotas (determining the size) on imports of raw materials and food products.

In the case of an excess of farm products relative to the needs of the domestic market, as shown by a drop in prices paid to farmers to a level close to the minimum guaranteed prices, controls on size of exports, or possibly subsidies, should be put into effect (or increased), in order to facilitate the sale of surpluses abroad. But in the case of a shortage of food commodities in the country, shown by an extreme price rise in procurement and the often accompanying speculation with the thought that there will be further price increases, import should be begun (or import quotas increased) of those articles in the amounts necessary to balance the domestic market.

The market situation and the status of export conditions should be analyzed frequently and, as the situation changes, the size of sales abroad and the export subsidy rates should be adjusted accordingly.

Reserves of basic farm rawstuffs and food products are the element indispensable to the stability of the food market. In addition to the state reserves, temporary stabilization reserves should be created, aimed at eliminating short-term disruptions in supply and export of these products.

For example, in the case of oversupply and a drop in the prices paid to producers when export conditions are unfavorable. They should be liquidated within two to four months. These reserves could also be created in a separate network of warehouses, or they could be held by the producer or the units processing the farm products.

Storage costs should be covered by the state. The reserve system should cover not only those products to which guaranteed prices apply, but also other products produced on a large scale and which are of great importance to the feeding of the population and the state of the food market (e.g., sugar, edible oils, butter, powdered milk).

The correct functioning of market economic stabilizers requires that the necessary funds be earmarked for this purpose, i.e., the apportioning of an intervention fund for the food market. The money for this fund should be fixed each year in the state budget, to be used to finance intervention procurement, to cover the costs of storing the stabilization reserves, for export subsidies, or for interventionist market import.

The final use of the money from this fund would be for the financing of stabilization stocks (reserves), export subsidies, and possibly, import. The money spent for interventionist procurement would return to the fund's accounts after the previously purchased food rawstuffs are liquidated—usually at a higher price. This would therefore be, in large part, a self-replenishing fund.

A state organ must be responsible for all of the stabilizing actions and the use of the funds designated for this purpose. This should be an organ furnished with the necessary authority, independent of any ministry, and acting within the limits of the sums designated for its disposition from the State Treasury.

I am convinced that if only an institution of guaranteed prices is created, without the development and activation of an entire system to stabilize the food market, we will obtain neither stabilization of production nor acceptance by the consumers.

Farmers Subsidize Own Crops To Bring Products to Market

90EP0828A Warsaw ZIELONY SZTANDAR in Polish
No 38, 22 Jul 90 p 1

[Article by Andrzej Piszczałka: "Only Wheat and Hogs Are Profitable"]

[Text] What should farm product prices be in order to ensure that production is profitable? This problem has

recently been absorbing not only the peasant activists and the experts in the Ministry of Agriculture, but practically speaking, everyone in society. The consumers realize that if procurement prices are elevated, they will have to pay more in the shops for pork or butter. But if they remain at the present level, Polish agriculture will slowly die.

Even the relatively modern agriculture in the Wielkopolska region is barely making ends meet. The calculations made in July by W. Staskiewicz in the voivodship agricultural progress center in Sielinka (Opalenica gmina) showed that at the present level of production, only wheat and hogs are profitable. Cultivation of rye, triticale, potatoes, and sugar beets, at the prices now in effect, is a losing venture. For example, barley, yielding 34.7 quintals per hectare, not only does not ensure the farmer any profit, but 152,000 zlotys has to be added to each hectare. Only a 30-percent increase in yield would ensure the Wielkopolska farmers a decent profit.

Nor does it pay to grow sugar beets. At present, outlays of 3 million zlotys exceed the value of the crops harvested from one hectare, and this applies to good farmers who obtain over 330 quintals from a hectare. It appears that only the record holders, who gather over 500 quintals per hectare, are satisfied with this. But how many of these are there? In this situation we will soon have to import sugar. But is this the solution to our problems?

Most critical of all is the situation in dairy cattle and feeder cattle raising. Both of these are in serious trouble. At a yield of 3,290 liters of milk per cow, the farmer has to add a quarter million zlotys a year per animal. And this is calculated for a herd made up of 10 dairy cows, where labor costs are distributed differently than where one cow grazes in a ditch. A profit can be obtained only when the average yield is 400 liters, but this cannot be achieved in a short time.

Let us also add that a farmer has to add half a million zlotys to each young beef animal weighing 350 kg. It is no wonder that this sector of production is collapsing and the farmers are racing to get rid of their cows and vowing that they will not sell their milk to a dairy for peanuts. Even the specialized farmers whose cowbarns were under inspection and whose average yield was over 5,000 liters per cow, are selling off their cattle and beginning to raise hogs, which ensures them a decent profit per unit. We will therefore have more hams and pork chops.

And milk will soon become a rarity, because if the farmers in the Poznan and Leszno voivodships are not surviving, then how can the farms in other regions of the country.

CZECHOSLOVAKIA**Culture Minister Uhde on His Work, Plans**

90CH0384A Vienna DIE PRESSE in German 15 Jul 90 p 6

[Article by Hans Haider: "Havel's Colleague From Brno: Conversation With the New Culture Minister, Milan Uhde"]

[Text] Until the revolution in November he was a writer subject to repression; then until June of 1990 chief editor of the first Czech private publishing house, "Atlantis," located in a room in Brno; and now culture minister of the Czech Republic. Milan Uhde, born in 1936, Ph.D., poet, essayist, filmscript writer, playwright and one of the first signatories to the Charta 77, in his new capacity, held a first conversation with DIE PRESSE.

It was the end of May. As a guest of Wolfgang Kraus at an East Europe Symposium in the Palace Palffy in Vienna, Milan Uhde spoke on the history of the repression of the Czech theater, as well as on its new opportunities. No where had there been since 1968 a more defiant wintering than in the underground at Brno, Uhde's home town. Then, as if from a remote world, a real human being had turned up before the few in Austria familiar with his work and fate—and the circitous ways of reaching him by post.

Professional Ban and War of Opinion

Austrian radio had broadcast Uhde's radio play, "A Blue Angel," with Susi Nicoletti in the title role in 1982. When Juergen Serke, in the Vienna Zsolnay Verlag publishing house, sang a requiem for German-Bohemian poetry ("Bohemian Villages—Walks Through an Abandoned Literary Landscape"), Milan Uhde entered the war of opinion in spite of the professional ban. The book was officially criticized in the TVORBA.

His plea for the rights of the repressed, annihilated, and exiled German-language poets in May 1989 filled an entire page in the "Spectrum" [section] of DIE PRESSE. This testimony counted for a great deal: Uhde's grandparents on his mother's side had been carried off to the Mauthausen concentration camp and had died on a "death march."

The Samisdat activist of long-standing can no longer harvest the daylight fruits of his publishing activities alone. In any case, Milan Kundera, living in exile in Paris, made "Atlantis" his Czech publishing home. Kundera, like Uhde, is from Brno.

As successor to Milan Lukes, who had been elevated to the position of vice prime minister, Uhde, who speaks perfect German, entered the government of Petr Pitharts (the Prague department of culture is on the level of the Czech national republic, the Slovaks have one of their own). A man from Brno in the baroque culture palace on

Wallenstein-Gasse: A signal in the direction of the Moravians who are struggling for more recognition?

"I am not a local patriot," Uhde says fending off any suggestion of separatist fantasies, "but I want to and will make use of my experiences as an inhabitant of Brno, and those are also the experiences of a man who has observed the culture of the center from a certain distance."

"No regulatory statutes, no dirigism, but rather service." With this program the first postrevolutionary minister of culture, Milan Lukes, came into office jumping from the Communist Party into the cleansing bath of political independence.

When Uhde says today that he wants to emphasize more clearly the priorities that his predecessor had begun to emphasize it means two things: first that Uhde's judgement of his colleague is polite and fair; second that in the stable of the like-minded of that monochromatic culture administration the bloated prebendaries have not yet fallen from power.

Pluralism Is the Only Possibility

Uhde wants to follow the example of the West by strengthening the role of decisionmaking bodies composed of diverse members. For "pluralism is our only possibility."

Because Uhde is in the position of having to demobilize an overly bureaucratic command center with superfluous personnel, he naturally does not dare make bold announcements. "Those who are active, who are taking the initiative, should forge today's projects."

Without exciting the suspicion of protection or self-interestedness, the new minister has in the meantime come on stage. In Liberec (Reichenberg), "Proclamation, or: Friedrich, You Are an Angel" was premiered.

Heroism, but Failure Too

This Marx-Engels comedy that was first published long ago in the exiles' publishing house, Index of Censorship, in London, also showcases Prague's State Theatre. In the city of Pilsen in September another one of his plays will be premiered, "The Very Soft Farewell." It was broadcast as a radio play in Frankfurt in 1986. It is a story of heroism, but also of the break down of his own family during the Hitler occupation.

Will Minister Uhde travel to the festival in Salzburg with his president and colleague Havel in the coming weeks? "I still do not know if the president is going to invite me."

HUNGARY

Minister of Education Answers Questions on Religious Classes

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[Interview reprinted from A HELYZET, 23 Jun 90, with Minister of Culture and Education Dr. Bertalan Andrasfalvy by Janos Havasi; place and time not given: "Schools Belong to Society; Bertalan Andrasfalvy on 'Compulsory' Religious Education"]

[Text] The new law on religious instruction is treated similarly to an earlier one on abortion. It is enough to mention it for people to become agitated. Parents and educators ask each other angrily: "Will religious classes be compulsory?"

In the Sunday morning radio program sociologists observe: "Bypassing those involved, the government put into effect another discriminatory measure. It appears that this administration consciously strives for confrontation." At the same time, others happily shake hands with the new Minister [of Education], saying: "Finally, someone put an end to the period of damnable atheism."

Critics and supporters alike failed to make time to familiarize themselves with the real concepts behind religious instruction in the schools. That is why we asked the Minister of Culture and Education, Dr. Bertalan Andrasfalvy, to elaborate on his concept.

[Andrasfalvy] Religious instruction will be an elective subject, like several other subjects in the common interest. Until age 14 the parents, after that the student, will decide whether he or she will attend religious classes. If a student feels he or she no longer needs such classes, and if the parents agree, the classes can be dropped even in mid-year, but the school must be notified of this. However, if a student elects these courses, he or she must attend classes as in the other subjects. At year's end, he or she will receive a certificate of completion, without grades or indication of denomination.

Who may teach these religious courses? Whoever is entrusted by the faith in question. Obviously, these individuals will have suitable qualifications; but this is decided by religious, rather than secular authorities.

I will hold all schools and faculty members responsible for making sure that neither those who attend these classes nor those who do not attend are adversely discriminated against.

[Havasi] Why is it necessary for religious instruction to be part of the curriculum?

[Andrasfalvy] This only means that classes will not be scheduled for, let us say, six o'clock in the evening, or some other impossible time. We must also keep in mind that there are many district schools, with children attending from the neighboring villages, where there may

be neither a school nor a local clergyman. These schools must schedule religious classes for the "O" or six to seven time slot, but never in such a manner that children could not get home in time because of late religious classes.

We do not even claim that religious classes must be held in the school building. If there is a better way, if there is a heated parsonage or church, the classes can be held there; this is a question of making arrangements. There will be one or two religious classes each week. Conceivably, there would not be enough qualified instructors, in which case classes may be consolidated. In other words, the Ministry does not wish to prescribe schemes; arrangements can be freely made among parents, educators and religious instructors.

[Havasi] Can the religious instructors expect salaries? Who will pay them?

[Andrasfalvy] The religious instructor is a member of the faculty; he or she will receive hourly wages. Some people may object to this, saying that this will mean an extra burden for the schools' budget. But every school is able to initiate elective courses; why should religious instruction be different? It is conceivable that certain schools will not be able to raise the necessary money; I am sure that in such cases the churches will be reasonable in their demands.

I am very surprised that some people consider all this as an attack on freedom of conscience. After all, the possibility of religious instruction was upheld by law even during the Rakosi era. Of course, they used to use lawless means to intimidate parents so they would not enroll their children. Is not it strange that now, after the free elections, there are parliamentary deputies who wish to deny religious instruction to those who held onto their religious convictions even during the most difficult times?

The Harmony of 'Otherness'

The accusation was also made that this measure will only sharpen the divided nature of our society, telling our children that people are different... But let us not make the mistake of ignoring very real differences. This has been an accepted method for long years: We thought that if we do not mention a problem, it ceases to exist. Social peace means the recognition of "otherness," not its denial. Otherwise, we will once again go into hiding, we will have to deny ourselves, just so we do not hurt the feelings of others. I do not understand this logic. If an individual has his or her own convictions, has the opportunity to express and proclaim his or her own faith or ethnicity, then a harmony could be born, in spite of differences. On the other hand, the maintenance of constant taboos will, sooner or later, lead to the development of prejudice. We can witness the results of this all around us now, when actual discrimination is still practiced against certain people whom the others could not get to know.

SOCIAL

State and Church

Nor do I accept the view that state and church must be completely separated in matters of school policies. After all, the school belongs to society and not to the state. Separation of church and state should not imply that schools that are maintained by society cannot offer subjects demanded by a majority of parents. These parents are taxpayers and supporters of this society just as much as those who have no need of religious instruction.

Obviously, every acknowledgment of "otherness" also opens the door to treating "the other" as inferior. However, this is merely a possibility, not an actual danger. Resulting from the ecumenical movements of recent years, today there is no denomination that uses its own religious instruction to incite conflict. The spirit of ecumenism is gaining ground throughout the world, and in Hungary the most divergent denominations show a great degree of collaboration. It was a combined delegation, made up of representatives from various denominations, that came to me, urging me to settle the issue of religious instruction. In other words, it would be anti-democratic for us to ignore the demand of a great many religious people by using such a demagogic argument that religious instruction would be instrumental in arousing conflicts.

I have not taken any unilateral steps. When I negotiated with Lutheran Bishop Bela Harmath, he was empowered to speak on behalf of all denominations. Also, we found it very important to emphasize that religious instruction should be adapted to local circumstances.

[Havasi] It was also mentioned that classes in general religious history will be made available for those who do not wish to enroll in religious classes. How would you go about arranging this?

[Andrasfalvy] This has, indeed, been raised, but the idea was immediately attacked from all sides. It was claimed on the one hand that there is no demand for such classes, while there were those who objected saying that such a

program would disadvantage those who enrolled in religious classes, because religious history subjects would have broader cultural content. For the time being, we are not faced by this "threat," because there are no trained instructors, teaching material or textbooks in this area. Yet, these are needed items: We are trying to close the gap between our country and Europe where courses in religious history are offered and there are textbooks on the topic. I feel that teaching religious history is equally as important as teaching the length of rivers in Uruguay...

[Havasi] How is it possible that so many people misunderstand your ideas? Is there some problem with the communication system of the Ministry?

[Andrasfalvy] Ever since I assumed office I had the feeling that some people want to criticize me at all costs. In the National Assembly it was a Lutheran pastor (and member of the SZDSZ) who demanded to know how dare I "make religious instruction compulsory?" None of us called for regulations making religious instruction compulsory; so such statements reveal bad faith. In the absence of a cause, [my critics] simply invent something. Similarly, they wanted to point out my "antsport attitude" in the NEPSPORT, when the newsman assumed that I thought [such and such]... Then he cited the idea invented by himself, and immediately "destroyed it" with superior arguments. This is unethical. Let them criticize me, if it is warranted; that is a natural practice; but do not put words in my mouth and assume to know what I think. Regrettably, there are no real press laws in Hungary; furthermore, I must say that certain journalists lack morals. All this, of course, could be personal: In a more serious vein, what good comes of this? Dissatisfaction and confusion? Are there certain forces in Hungary whose interest is not to have peace here? This is a terrifying thought. If this is the case, then I must say that these people must be stopped, because they are arsonists!

When there are too many misunderstandings, a monkey-wrench is certain to find its way into the machine. The only prevention is to guarantee the greatest degree of openness.

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